

## GCC market performance and activity summary

### GCC fixed income

Global benchmark bond index posted marginal declines for the week ending 31st March. The Global Aggregate index declined (-0.40%) and Global Treasuries also posted declines (-0.51%). In credit, Global corporate IG index and Global HY index posted negative declines. EM USD bonds recorded declines. Led by EMEA (-0.71%).

All GCC bond indices recorded declines over the week. UAE and Qatar underperformed the most. Oman, Bahrain, Kuwait and Saudi Arabia also posted declines. 5Y sovereign CDS spreads widened across all GCC markets. In the USD sovereign market, the 10yr bond yields rose across all GCC markets.

### GCC equities

GCC regional indices ended mixed over the week – Oman and Saudi Arabia outperformed. UAE underperformed the most. Qatar, Bahrain, and Kuwait also underperformed. Overall, MSCI GCC, MSCI and MSCI EM and MSCI ACWI all posted declines.

### GCC key macro developments

- ▶ Unemployment rate among Saudis declined to 7.2% in Q4 2025 – GASTAT.
- ▶ Saudi Arabia's FDI inflows surged in Q4 2025 – GASTAT.
- ▶ Saudi Arabia's non-oil exports rose in January driven by re-export growth – GASTAT.
- ▶ Oman's consumer price index rose 2% YoY in February 2026 – NCSI.
- ▶ Oman's economy posted gains at the end of 2025, driven by strong performance in non-oil sectors.
- ▶ Qatar's producer price index (PPI) declined in January.

### GCC Weekly Market Performance

| Index             |         |       |       | Rates        |        |          |          |
|-------------------|---------|-------|-------|--------------|--------|----------|----------|
|                   | Latest  | -1w % | YTD % |              | Latest | -1w (bp) | YTD (bp) |
| Fixed Income      |         |       |       | 3M interbank |        |          |          |
| Global Agg        | 495.9   | -0.40 | 7.23  | Saudi        | 4.83   | -7.92    | -58.31   |
| Global Treasuries | 205.4   | -0.51 | 5.54  | UAE          | 3.66   | 2.51     | -77.68   |
| EM USD Agg TR     | 1368.2  | -0.47 | 9.53  | Kuwait       | 3.63   | 0.00     | -31.25   |
| EM LatAm TR       | 1272.0  | -0.41 | 12.30 | Bahrain      | 5.09   | 7.51     | -59.60   |
| EM EMEA TR        | 399.6   | -0.71 | 8.41  | Oman         | 4.34   | -        | -58.15   |
| EM Asia TR        | 700.6   | -0.12 | 7.90  | Qatar        | 4.00   | 0.10     | -65.00   |
| Bahrain TR        | 212.4   | -0.29 | 4.49  | US SOFR      | 3.63   | -1.00    | -77.00   |
| Oman TR           | 170.6   | -0.37 | 9.03  | 5Y Sov. CDS  |        |          |          |
| Kuwait TR         | 166.2   | -0.36 | 5.91  | Saudi Arabia | 87.19  | 10.30    | -22.38   |
| Qatar TR          | 145.0   | -0.31 | 5.38  | Abu Dhabi    | 56.39  | 10.56    | -12.48   |
| Saudi Arabia TR   | 151.1   | -0.13 | 7.07  | Dubai        | 98.12  | 12.69    | -35.38   |
| UAE TR            | 150.5   | -0.55 | 5.56  | Kuwait       | 71.79  | 2.2      | 18.3     |
| Equity            |         |       |       | Bahrain      | 316.44 | 15.72    | -128.17  |
| ADX               | 9520.8  | -2.63 | 2.13  | Oman         | 99.31  | 8.44     | 2.96     |
| DFM               | 5434.4  | -4.62 | 5.45  | Qatar        | 55.43  | 9.70     | -11.39   |
| Tadawul           | 11249.5 | 1.53  | -7.05 | 10Y yield    |        |          |          |
| DSM               | 10188.5 | -0.99 | -3.62 | Saudi Arabia | 5.06   | 0.90     | -34.30   |
| MSM30             | 8168.4  | 1.75  | 78.61 | Abu Dhabi    | 4.75   | 8.80     | -27.10   |
| BHSE              | 1899.1  | -0.57 | -4.05 | Dubai        | 4.71   | 12.10    | -11.60   |
| KWSE              | 9009.2  | -0.26 | 14.93 | Bahrain      | 7.59   | 10.30    | 62.40    |
| MSCI GCC          | 751.9   | -0.56 | 3.54  | Oman         | 5.30   | 4.00     | -43.80   |
| MSCI EM           | 1397.2  | -5.12 | 30.46 | Qatar        | 4.54   | 5.70     | -29.20   |
| MSCI ACWI         | 978.9   | -1.66 | 16.55 |              |        |          |          |

Note: data from 25<sup>th</sup> March 2026 to 31<sup>st</sup> March 2026, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

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## Developments

### ► Unemployment rate among Saudis declined to 7.2% in Q4 2025 - GASTAT

According to the General Authority for Statistics (GASTAT), Saudi Arabia's labor market continued to improve in Q4 2025, with the overall unemployment rate declining to 7.2% from 7.5% in Q3. For the total working-age population, unemployment stood at 3.5%, while labor force participation rose to 67.4%, showing both quarterly and annual gains. Female unemployment fell to 10.3% YoY, alongside a steady rise in female employment, which reached 31%, reflecting significant progress over recent years. Male participation also increased modestly to 64.7%. Among Saudis, labor force participation reached 49.5%, while the employment-to-population ratio rose slightly on a quarterly basis but declined YoY. Overall, the labor market strengthening, supported by higher participation and improving employment trends, particularly among women. (Source: Zawya).

### ► Saudi Arabia's FDI inflows surged in Q4 2025 – GASTAT

According to the General Authority for Statistics (GASTAT), Saudi Arabia recorded a sharp rise in foreign direct investment (FDI) in Q4 2025, with net inflows increasing 90% YoY to SAR48.4bn (USD12.9bn). On a quarterly basis, net inflows also jumped 82%, reflecting strong investment momentum toward year-end. Total FDI inflows reached SAR50.6bn, up 29% annually and 69% compared to the previous quarter. At the same time, FDI outflows declined significantly, falling 84% YoY and 33% QoQ to SAR2.2bn, indicating reduced capital outflows. Overall, the surge in inflows combined with lower outflows led to a notable strengthening in net FDI performance during the quarter. (Source: Zawya).

### ► Saudi Arabia's non-oil exports rose in January driven by re-export growth - GASTAT

According to the General Authority for Statistics (GASTAT), Saudi Arabia's non-oil exports increased 22.1% YoY in January 2026, largely driven by a sharp 95.5% surge in re-exports. This pushed the ratio of non-oil exports to imports up to 40%, compared to 34.9% a year earlier, indicating improved export performance. Growth was led by machinery, electrical equipment, and parts, with exports in this category rising 77.5% annually and accounting for a significant share of re-export activity. Imports grew at a slower pace of 6.5%, while the trade surplus declined by 17.5% YoY, reflecting higher import levels relative to exports. (Source: Zawya).

### ► Oman's consumer price index rose 2% YoY in February 2026 - NCSI

According to the National Centre for Statistics and Information, Oman's consumer price index (CPI) rose 2.0% YoY in February 2026, while inflation increased 1.7% between January and February. Price increases were led by miscellaneous goods and services (+13.4%) and restaurants and hotels (+5.7%), followed by gains in household equipment (+3.0%), food and beverages (+2.8%), and education (+2.2%). More modest increases were recorded in health (+1.7%), while transport, culture, and entertainment saw minimal rises. Food inflation was driven mainly by vegetables (+8.3%) and fruits (+5.4%), with smaller increases across other food categories. In contrast, prices for housing, utilities, communications, and tobacco remained broadly stable. (Source: Zawya)

### ► Oman's economy posted steady gains at the end of 2025, driven by strong performance in non-oil sectors – Ministry of Economy

Oman's economy continued to strengthen in 2025, with non-oil sectors emerging as the main driver of growth and reinforcing the country's diversification strategy amid weaker oil prices and mixed global conditions. Real GDP reached OMR39.30bn, expanding 2.4% at constant prices by the end of Q4 2025, primarily supported by increased activity outside the hydrocarbons sector. According to the Ministry of Economy, non-petroleum activities grew by 3.1% to OMR28.70bn, significantly outpacing petroleum sector growth of 1.1%, which reached OMR12.02bn. This performance reflected ongoing expansion in manufacturing, logistics, tourism, and various services. Inflation remained low and stable, averaging 1.69 percent in January–February 2025/2026, which helped maintain purchasing power and support business planning. (Source: Zawya)

## ► Qatar's producer price index (PPI) declined in January

Dubai Qatar's Producer Price Index (PPI) for the industrial sector fell to 97.0 points in January 2026, declining 4.0% MoM and 14.9% YoY, mainly driven by lower energy prices. The decline was largely led by the mining and quarrying sector, which holds the largest weight, reflecting reduced prices for crude oil and natural gas. The manufacturing sector also recorded a monthly drop, with price declines across key sub-sectors including chemicals, metals, refined petroleum products, and construction materials, although food products saw a modest increase. On an annual basis, some manufacturing segments showed price gains, particularly chemicals and food products, but these were offset by declines in energy-related and industrial categories. Meanwhile, the electricity and water sectors also recorded slight decreases in prices, contributing to the overall decline in industrial producer prices. Overall, the data highlights persistent downward pressure on industrial prices, largely reflecting softer energy markets and broad-based declines across key sectors. (Source: Zawya)

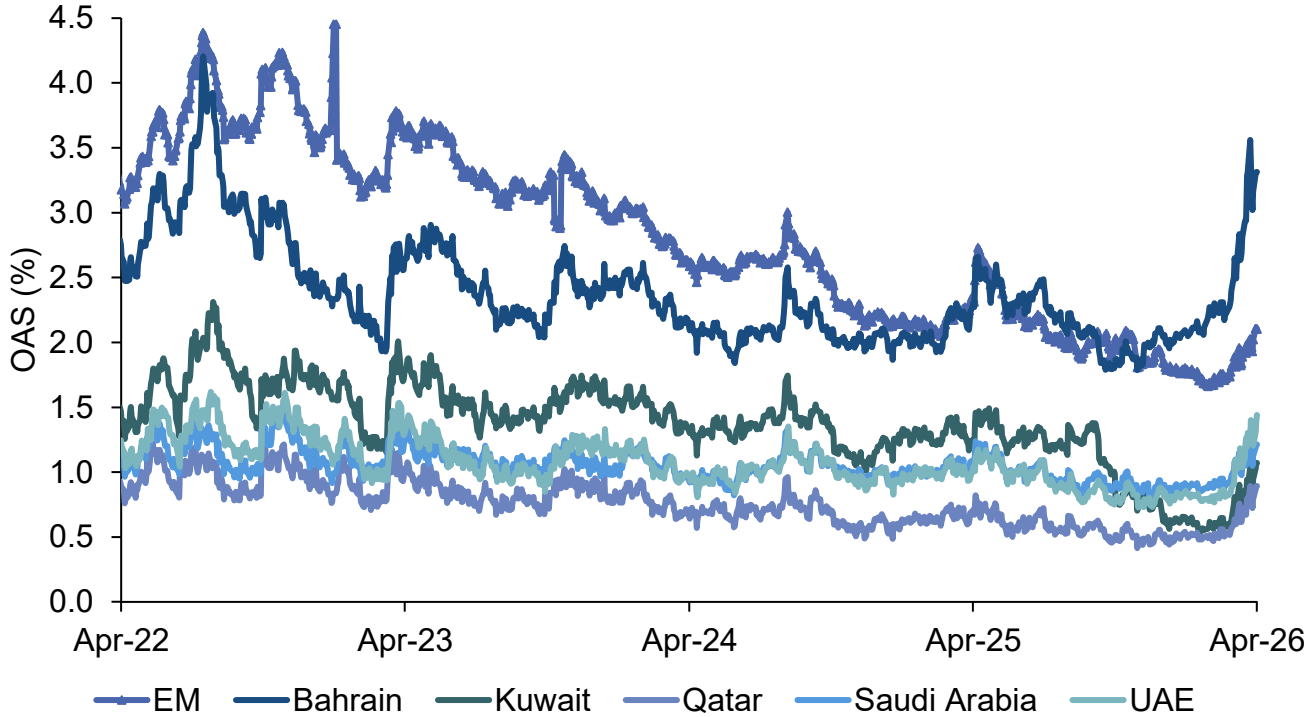
## GCC bond issuances

| Issuer                                | BBG    | Sector                 | Cou ntry | Issue Amt* | Cpn           | Maturity  | Maturity Type | Curr ency | Issue Date | Rtg <sup>A</sup> | YTM (mid) | YTC (mid) |
|---------------------------------------|--------|------------------------|----------|------------|---------------|-----------|---------------|-----------|------------|------------------|-----------|-----------|
| Suci Second Investment Co             | PIFKSA | Agency                 | SA       | 2000       | 5.133         | 1/28/2036 | AT MATURITY   | USD       | 1/28/2026  | A+               | 5.19      | -         |
| QNB Finance Ltd                       | QNBK   | Agency                 | QA       | 750        | 4.5027<br>795 | 1/29/2031 | AT MATURITY   | USD       | 1/29/2026  | -                | 4.47      | -         |
| Al Masraf                             | MASRAF | Financial Institutions | AE       | 500        | 5.113         | 1/29/2031 | AT MATURITY   | USD       | 1/29/2026  | A                | 5.00      | -         |
| Ma'aden Sukuk Ltd                     | MAADEN | Agency                 | SA       | 1000       | 5.25          | 1/29/2036 | CALLABLE      | USD       | 1/29/2026  | -                | 5.23      | 5.23      |
| Saudi Arabian Oil Co                  | ARAMCO | Agency                 | SA       | 1250       | 5             | 2/2/2036  | CALLABLE      | USD       | 2/2/2026   | A+               | 5.18      | 5.19      |
| Saudi Arabian Oil Co                  | ARAMCO | Agency                 | SA       | 750        | 6             | 2/2/2056  | CALLABLE      | USD       | 2/2/2026   | A+               | 6.16      | 6.16      |
| Saudi Arabian Oil Co                  | ARAMCO | Agency                 | SA       | 1500       | 4.375         | 2/2/2031  | CALLABLE      | USD       | 2/2/2026   | A+               | 4.56      | 4.56      |
| Saudi Arabian Oil Co                  | ARAMCO | Agency                 | SA       | 500        | 4             | 2/2/2029  | CALLABLE      | USD       | 2/2/2026   | A+               | 4.21      | 4.22      |
| Bahrain Government International Bond | BHRAIN | Sovereign              | BH       | 1300       | 7.1           | 2/3/2038  | AT MATURITY   | USD       | 2/3/2026   | B+               | 7.09      | -         |
| CBB International Sukuk Programme Co  | BHRAIN | Sovereign              | BH       | 800        | 6.124         | 9/3/2034  | AT MATURITY   | USD       | 2/3/2026   | B+               | 6.05      | -         |
| Alpha Star Holding X Ltd              | DAMACR | Financial Institutions | AE       | 600        | 6.125         | 8/5/2029  | CALLABLE      | USD       | 2/5/2026   | Ba1              | 6.10      | 6.10      |
| First Abu Dhabi Bank PJSC             | FABUH  | Agency                 | AE       | 750        | 4.3967<br>715 | 2/11/2031 | AT MATURITY   | USD       | 2/11/2026  | Aa3              | 4.33      | -         |
| Abu Dhabi Commercial Bank             | ADCBUH | Agency                 | AE       | 300        | 4.4267<br>715 | 2/11/2031 | AT MATURITY   | USD       | 2/11/2026  | A+ (EXP)         | 4.37      | -         |
| Binghatti Sukuk 2 Spv Ltd             | BINHLD | Financial Institutions | AE       | 500        | 8.375         | 8/12/2031 | AT MATURITY   | USD       | 2/12/2026  | BB-              | 8.31      | -         |
| Commercial Bank PSQC/The              | CBQKQD | Financial Institutions | QA       | 500        | 6.25          |           | PERP/CALL     | USD       | 3/3/2026   | -                | 6.29      | 6.29      |
| Omniyat Sukuk 1 Ltd                   | OMNYAT | Financial Institutions | AE       | 600        | 7.25          | 3/4/2031  | AT MATURITY   | USD       | 3/4/2026   | BB-              | 8.32      | -         |
| QNB Finance Ltd                       | QNBK   | Agency                 | QA       | 1750       | 4.5394<br>202 | 9/19/2027 | AT MATURITY   | USD       | 3/19/2026  | -                | 4.65      | -         |

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

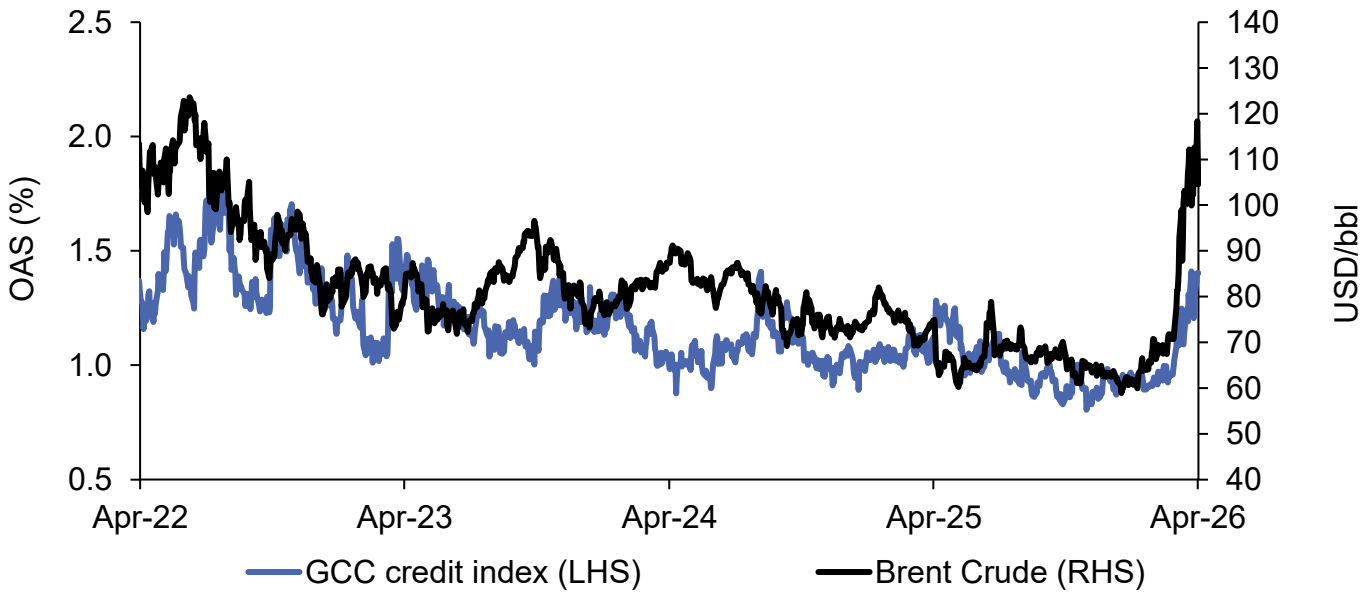
## Appendix

### Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

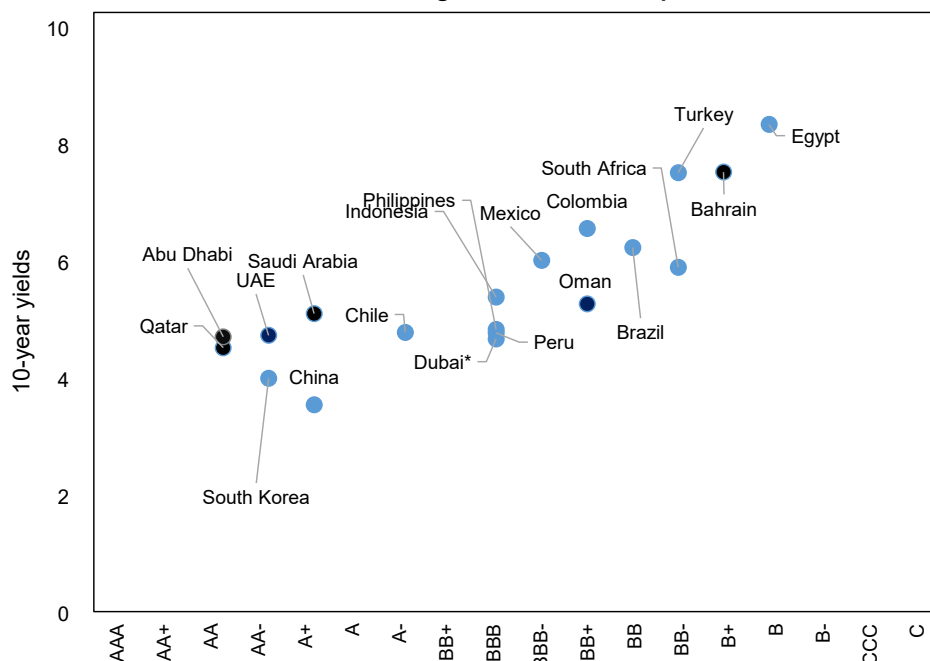
### GCC corporate OAS spread versus Brent Crude



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 | Aa3          | Aa2       | Baa2   | A1     | B2u     | Baa3 | Aa2   | Caa1  |
| Fitch   | A+           | AA        | -      | AA-    | B       | BBB- | -     | B     |

Note: \*DEWA rated used as proxy for Dubai

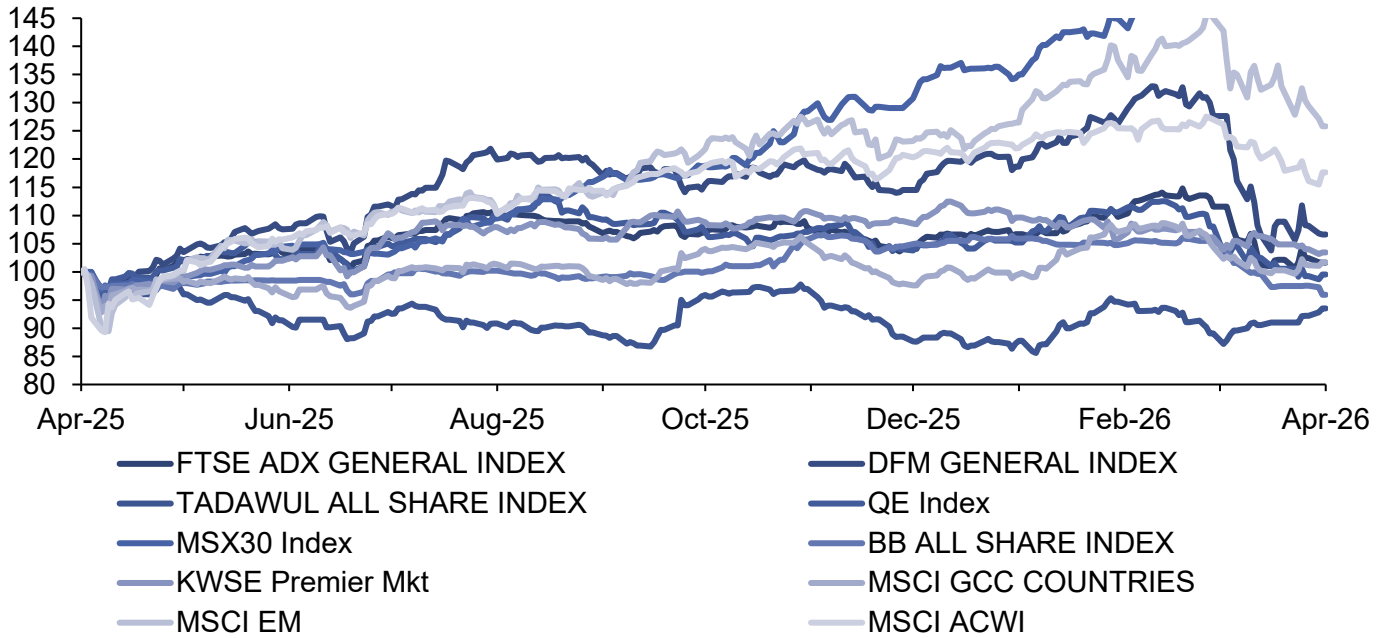
## GCC equities – performance, earnings, and valuations snapshot

| Equity Index | 12M forward PE | 12M forward EPS growth | 12M forward dividend yield |
|--------------|----------------|------------------------|----------------------------|
| ADX          | 10.2x          | 42.8%                  | 2.5%                       |
| DFM          | 9.3x           | -                      | 5.2%                       |
| Tadawul      | 15.5x          | 4.3%                   | 3.3%                       |
| DSM          | 10.7x          | 3.4%                   | 4.6%                       |
| MSM30        | 14.4x          | -                      | 3.8%                       |
| BHSE         | 6.2x           | -                      | 10.9%                      |
| KWSE         | 13.5x          | 30.7%                  | 3.5%                       |
| MSCI GCC     | 12.2x          | 14.4%                  | 3.9%                       |
| MSCI EM      | 11.8x          | 34.9%                  | 2.3%                       |
| MSCI ACWI    | 21.4x          | 11.0%                  | 1.8%                       |

Notes: \*data as of 01 April 2026 | Source: Bloomberg, ADCB

## GCC equity 1Y Performance

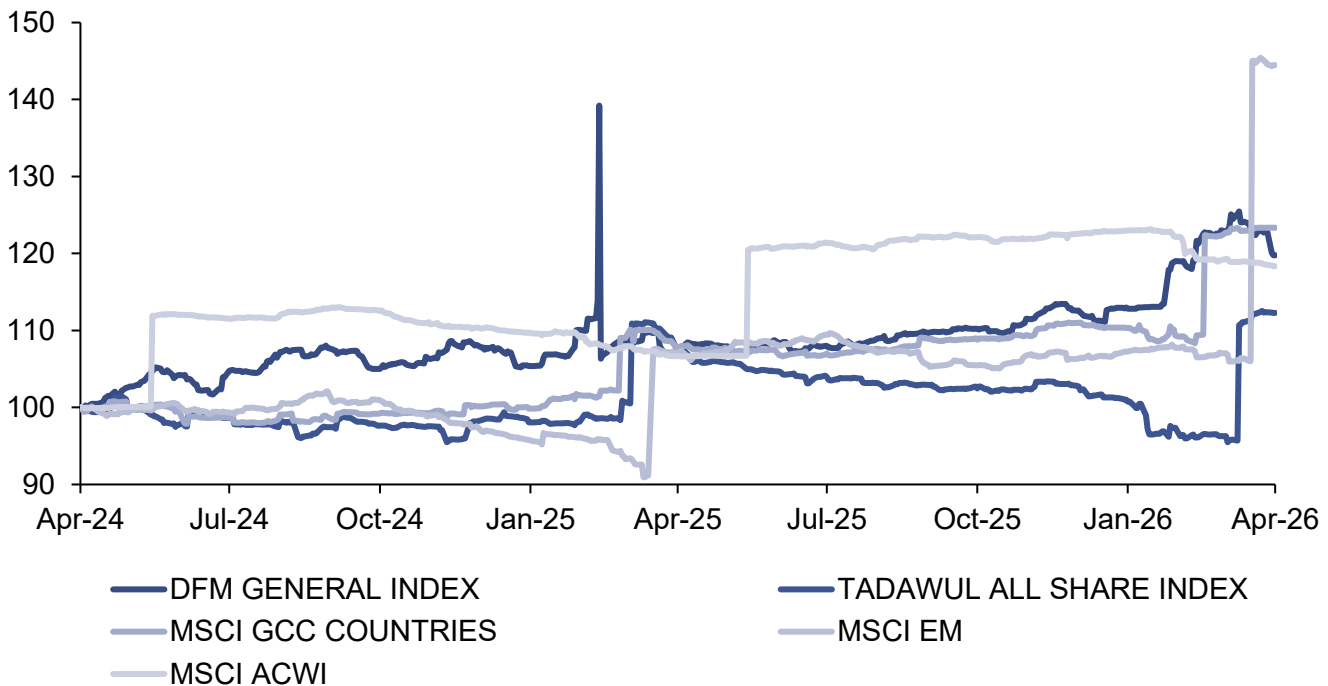
### 1Y performance



Source: Bloomberg, ADCB

## GCC equity 12m forward PE

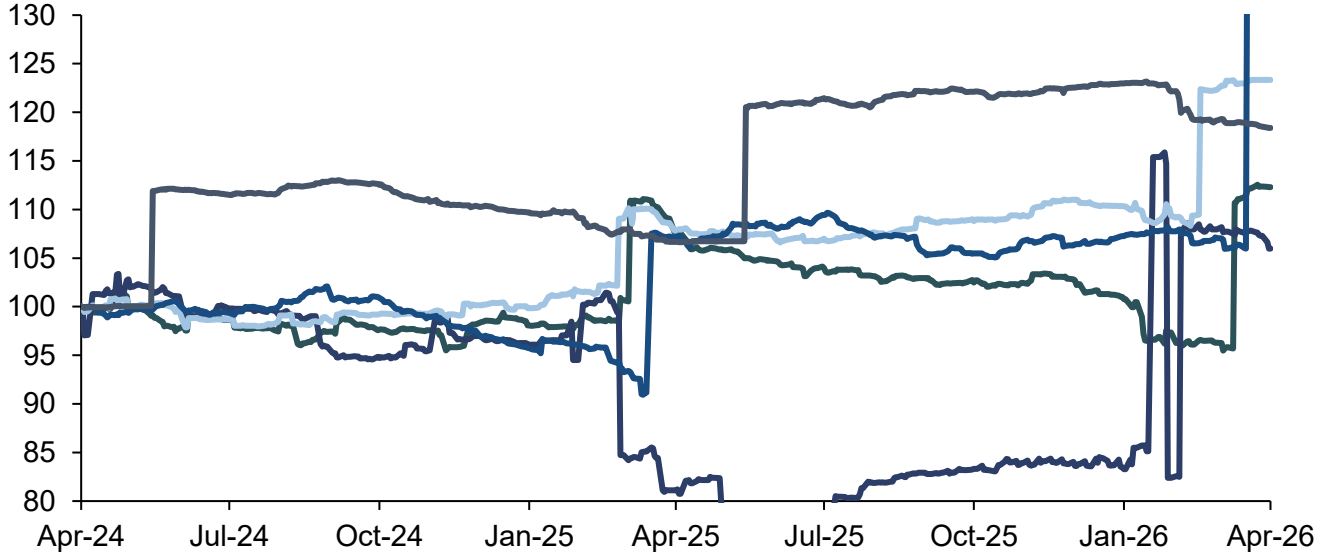
### 12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

## GCC equity 12m forward EPS

12 month forward EPS (indexed to 100 at start)

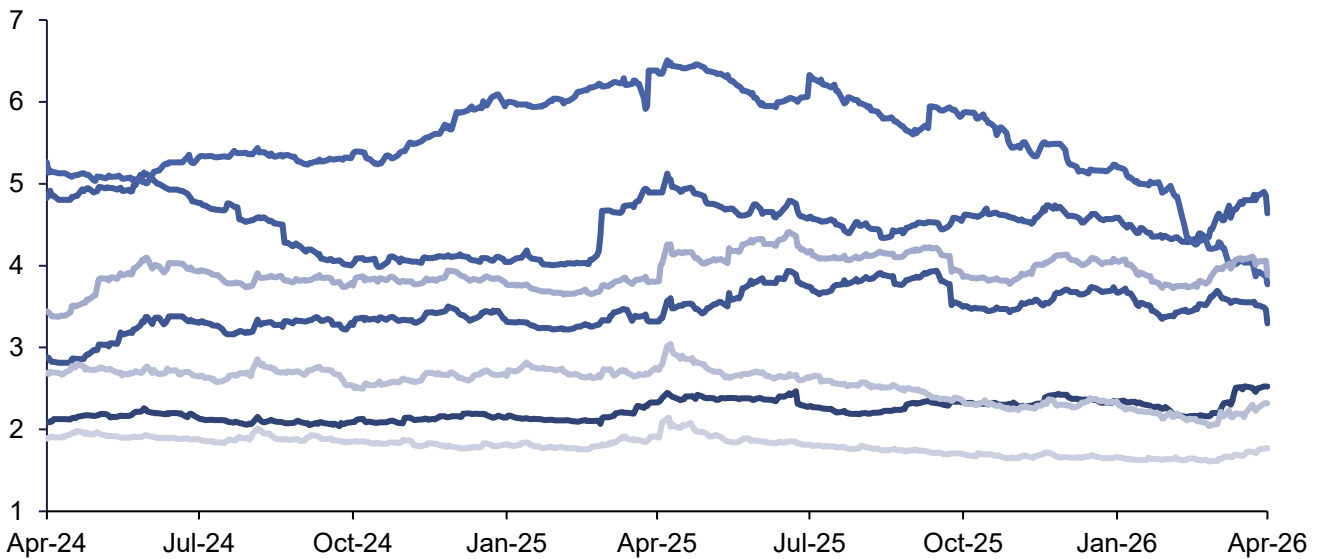


- TADAWUL ALL SHARE INDEX
- MSCI GCC COUNTRIES
- MSCI ACWI
- KWSE Premier Mkt
- MSCI EM

Source: Bloomberg, ADCB

## GCC equity 12m forward dividend yields

12m Forward Dividend Yield



- FTSE ADX GENERAL INDEX
- TADAWUL ALL SHARE INDEX
- QE Index
- MSX30 Index
- MSCI GCC COUNTRIES
- MSCI EM
- MSCI ACWI

Source: Bloomberg, ADCB

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