

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index posted marginal declines for the week ending 5th August. UST yields plunged last week as weaker-than-expected payrolls boosted market expectations of Fed rate cut. In credit, Global corporate IG and Global HY posted marginal gains over the week. EM bonds recorded gains, led by EM EMEA.

GCC bond indices posted gains with Saudi Arabia and UAE outperforming the most. The 5yr CDS spreads tightened across all the GCC market barring Dubai and Bahrain. Similarly, in the USD sovereign market, the 10yr USD bond yields declined across all GCC countries with the largest decline seen in Dubai.

GCC equities

GCC regional indices ended mixed – Oman and Qatar posted gains, while Dubai, Bahrain, Abu Dhabi and Kuwait recorded losses. Saudi Arabia was mostly flat. Overall, MSCI GCC posted gains, outperforming both MSCI EM and underperforming MSCI ACWI.

GCC key developments:

- ▶ GCC real GDP reached USD456bn in Q4'24 - GCC STAT.
- ▶ **Saudi Arabia's PMI declined in July as business expansion slowed– PMI.**
- ▶ Saudi Arabia revised its unemployment target to 5% - IMF.
- ▶ Saudi Arabia's fiscal deficit shrank to USD9.2bn in Q2'25 – Ministry of Finance.
- ▶ **Saudi Arabia's real GDP expands by 3.9% in Q2'25 – GASTAT.**
- ▶ **UAE non-oil growth slowed in July amid geopolitical tensions – PMI.**
- ▶ **Kuwait PMI rose in July, signaling a healthier private sector expansion – PMI.**
- ▶ **ADNOC Gas Q2'25 net profit jumped 16%.**
- ▶ **Abu Dhabi-listed Etisalat reported 9.7% rise in Q2'25 net profit.**

GCC issuances/IPO:

- ▶ **UAE developer Binghatti Holding priced its USD500mn 5-year sukuk.**

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GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	495.1	0.94	7.05	Saudi	5.40	-7.65	-1.37
Global Treasuries	208.0	0.98	6.90	UAE	4.17	-14.12	-27.33
EM USD Agg TR	1329.2	0.64	6.41	Kuwait	4.06	0.00	12.50
EM LatAm TR	1215.1	0.63	7.27	Bahrain	4.06	-162.49	-162.53
EM EMEA TR	391.6	0.66	6.24	Oman	4.52	-	-40.15
EM Asia TR	685.8	0.62	5.63	Qatar	4.70	-5.00	5.00
Bahrain TR	215.2	0.39	5.88	US SOFR	4.33	1.00	-7.00
Oman TR	168.2	0.26	7.49	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	163.7	0.23	4.36	Saudi Arabia	60.23	-2.79	4.57
Qatar TR	144.2	0.47	4.81	Abu Dhabi	30.56	-2.29	13.35
Saudi Arabia TR	149.6	0.86	6.03	Dubai	62.64	1.76	0.10
UAE TR	150.8	0.69	5.74	Kuwait	58.79	-	-16.0
Equity	Latest	-1w %	YTD %	Bahrain	183.93	0.42	4.34
ADX	10331.2	-0.21	10.83	Oman	83.98	-0.58	18.29
DFM	6166.4	-0.68	19.66	Qatar	30.65	-1.29	13.39
Tadawul	10921.9	0.07	-9.76	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	11284.1	1.21	6.74	Saudi Arabia	4.83	-10.40	-56.50
MSM30	4817.0	1.43	5.33	Abu Dhabi	4.28	-11.40	-74.00
BHSE	1946.9	-0.44	-1.64	Dubai	4.19	-12.90	-64.10
KWSE	9247.4	-0.10	17.97	Bahrain	6.57	-6.80	-39.60
MSCI GCC	750.3	0.26	3.33	Oman	4.83	-2.90	-90.80
MSCI EM	1246.1	-0.51	16.35	Qatar	4.38	-4.10	-45.00
MSCI ACWI	927.2	-0.76	10.39				

Note: data from 30th July 2025 to 05th Aug 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Key developments

► **GCC real GDP reached USD456bn in Q4'24 - GCC STAT**

The Gulf Cooperation Council's (GCC) real Gross Domestic Product (GDP) rose by 3.3% YoY in Q4'24, reaching USD456.3bn, up from USD442.3bn in the same period last year. Non-oil sectors accounted for 70.6% of the region's GDP at constant prices, while oil-related activities contributed 29.4%. On a quarterly basis, the GCC's real GDP recorded a 1% increase, according to GCC STAT.

(Source: Zawya)

► **Saudi Arabia's PMI declined in July as business expansion slowed to 3.5-year low - PMI**

Saudi Arabia's non-oil private sector saw its slowest pace of expansion in over three years, as the Purchasing Managers' Index (PMI) dropped to 56.3 in July from 57.2 in June. The decline reflects weaker growth in new orders and a significant softening in business confidence, which fell to its lowest level since July 2024.

(Source: Zawya)

► **Saudi Arabia revised its unemployment target to 5% - IMF**

Saudi Arabia has revised its unemployment target to 5% amid ongoing improvements in job creation and labor participation, as recognized by the International Monetary Fund (IMF) in its final 2025 assessment. Unemployment among Saudi nationals fell to 7% in Q4'24—exceeding the original Vision 2030 goal ahead of schedule. The IMF commended the country's strides in labor market reform, including a doubling of female labor force participation to 36% and a halving of youth and female unemployment rates over four years. Private sector employment for Saudis rose by 12% in 2024, with rising wage premiums in high-skill jobs reflecting strong returns on education.

(Source: Zawya)

► **Saudi Arabia's fiscal deficit shrank to USD9.2bn in Q2 – Ministry of Finance**

According to the finance ministry, Saudi Arabia's fiscal deficit shrank to SAR34.5bn (USD9.21bn) in Q2'25, a 41.1% decrease from the previous quarter, driven by higher oil and non-oil revenues. Oil revenue edged up 1.3% YoY to SAR151.7bn, while total revenues rose 14.4% to SAR301.6bn, with non-oil income contributing SAR149.9bn. Government spending increased 4.3% QoQ to SAR336.1bn.

(Source: Zawya)

► **Saudi Arabia's real GDP expands by 3.9% in Q2'25 - GASTAT**

Saudi Arabia's real GDP grew by 3.9% YoY in Q2'25, led by strong non-oil activity growth of 4.7%, followed by oil sector expansion of 3.8% and a modest 0.6% rise in government activity. Seasonally adjusted GDP rose by 2.1% QoQ, with oil activities growing by 5.6%, non-oil by 1.6%, and a 0.8% decline in government activity, according to the General Authority for Statistics.

(Source: Zawya)

► **UAE non-oil growth slowed in July amid geopolitical tensions – PMI**

The UAE's non-oil economy slowed in July, as UAE PMI dropped to 52.9—its lowest in four years—from 53.5 in June. The decline reflects weaker new business growth and softer sales momentum amid regional tensions. However, Dubai's private sector showed signs of recovery, with its PMI improving to 53.5 in July from a 45-month low of 51.8 in June, supported by stronger demand.

(Source: Zawya)

► **Kuwait PMI rose in July, signaling a healthier private sector expansion - PMI**

Kuwait's non-oil private sector showed improved momentum in July, as the PMI climbed to 53.5 from 53.1 in June. The uptick points to stronger business conditions and marks the 11th consecutive month of expansion, reinforcing positive sentiment in the Kuwaiti economy.

(Source: Zawya)

► **ADNOC Gas Q2'25 net profit jumped 16%**

ADNOC Gas reported a 16% YoY increase in Q2'25 net income, reaching USD1.385bn—its highest ever—surpassing analyst estimates of USD1.244bn. The rise was driven by strong domestic gas demand and robust LNG exports. Despite a 2% YoY decline in revenue to USD5.96bn, the company announced a 5% YoY increase in interim dividends to USD1.792bn, to be distributed in September.

(Source: Zawya)

► **Abu Dhabi-listed Etisalat reported 9.7% rise in Q2'25 net profit**

UAE-based telecoms group e& (formerly Etisalat) reported a 9.7% YoY increase in net profit for Q2'25, reaching AED3.5bn (USD953mn), fueled by a 13% rise in its subscriber base. For the first half of the year, net profit surged by 61% YoY to AED8bn. Consolidated revenue grew by 23.3% to AED34.9bn, and the board approved an interim dividend of AED0.43 per share for H1'25.

(Source: Zawya)

► **UAE developer Binghatti Holding priced its USD500mn 5-year sukuk**

Binghatti Holding marginally tightened the price on its USD500mn Reg S 5-year benchmark sukuk to a profit rate of 8.125%, equivalent to a spread of 418bp over US Treasuries. The initial price guidance was in the 8.50% area. The UAE developer is rated Ba3 by Moody's (Stable) and BB- by Fitch (Stable), saw its issuance oversubscribed by 5x, with an order book exceeding USD2.5bn, and the issuance attracted strong regional and international investor demand. The sukuk will be issued under Binghatti's USD1.5bn Trust Certificate Issuance Programme and listed on both, the Nasdaq Dubai and the London Stock Exchange.

(Source: Zawya)

GCC Weekly Market View

Investment Strategy | August 7, 2025

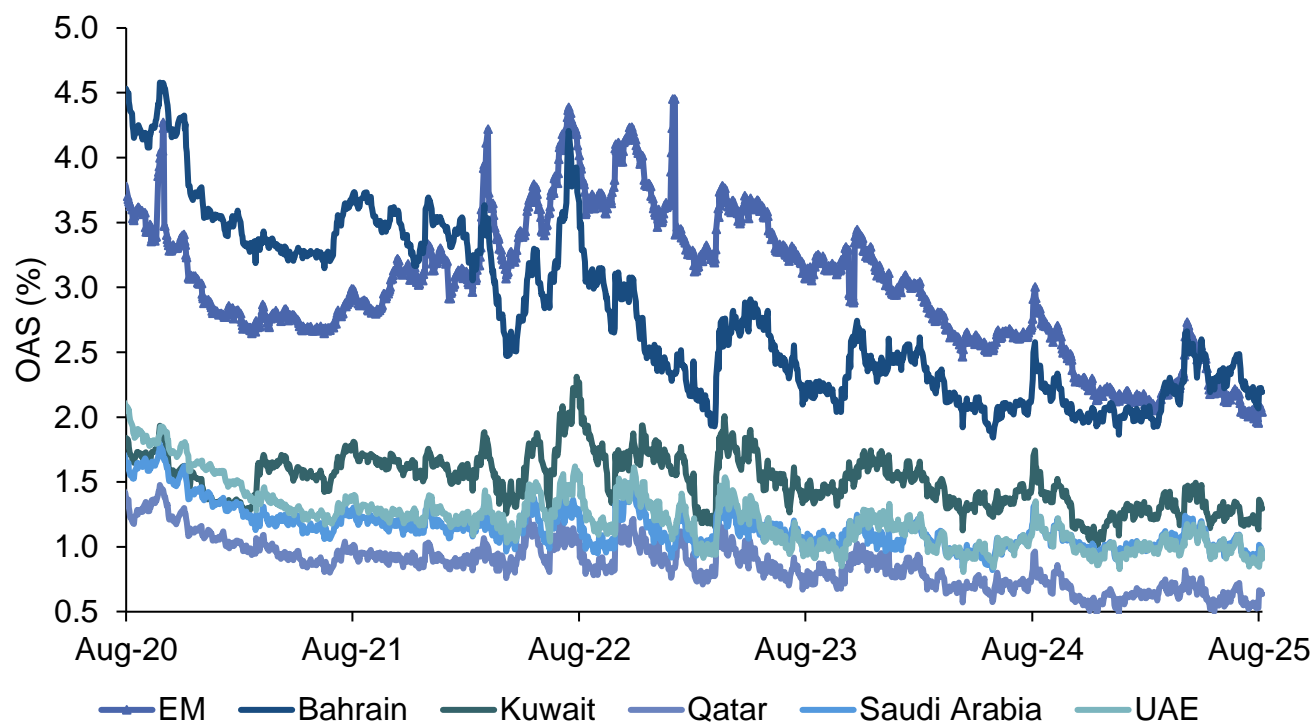
GCC bond issuances

Issuer	BBG	Sector	Cou ntry	Issue Amt*	Cpn	Maturity	Maturity Type	Curr ency	Issue Date	Rtg [^]	YTM (mid)	YTC (mid)
Suci Second Investment Co	PIFKSA	Agency	SA	1250	4.875	5/8/2032	AT MATURITY	USD	5/8/2025	A+	5.09	-
DP World Crescent Ltd	DPWUDU	Agency	AE	1500	5.5	5/8/2035	AT MATURITY	USD	5/8/2025	BBB+	5.61	-
Saudi National Bank/Singapore	NCBKSG	Financial Institutions	SA	300	4.62	8/15/2025	AT MATURITY	USD	5/15/2025	-	4.24	-
Saudi National Bank/Singapore	NCBKSG	Financial Institutions	SA	300	4.62	8/15/2025	AT MATURITY	USD	5/15/2025	-	4.23	-
Sobha Sukuk Ltd	SOBHA	Financial Institutions	AE	500	7.9955	2/19/2029	AT MATURITY	USD	5/19/2025	BB	7.73	-
Al Rajhi Sukuk Ltd	RJHIAB	Financial Institutions	SA	500	4.865	5/19/2030	AT MATURITY	USD	5/19/2025	AA-	4.96	-
Warba Tier 1 Sukuk 3 Ltd	WARBAB	Financial Institutions	KW	250	6.25	-	PERP/CALL	USD	5/20/2025	-	6.13	6.33
Masdar Abu Dhabi Future Energy Co	MASDAR	Agency	AE	500	5.375	5/21/2035	AT MATURITY	USD	5/21/2025	AA-	5.33	-
Masdar Abu Dhabi Future Energy Co	MASDAR	Agency	AE	500	4.875	5/21/2030	AT MATURITY	USD	5/21/2025	AA-	4.83	-
SAB AT1 Ltd	SABBAB	Financial Institutions	SA	650	6.5	-	PERP/CALL	USD	5/21/2025	-	6.39	6.50
BAB Usd At1 Sukuk Ltd	ALBIAB	Financial Institutions	SA	650	6.5	-	PERP/CALL	USD	5/22/2025	-	6.51	6.65
First Abu Dhabi Bank PJSC	FABUH	Agency	AE	750	5.2534 549	5/27/2030	AT MATURITY	USD	5/27/2025	AA-	5.21	-
Alinma At1 Sukuk Ltd	ALINMA	Financial Institutions	SA	500	6.5	-	PERP/CALL	USD	5/28/2025	-	6.43	6.50
Abu Dhabi Commercial Bank	ADCBUH	Agency	AE	600	5.3133 055	6/10/2030	AT MATURITY	USD	6/10/2025	A+	5.27	-
Boubyan Sukuk Ltd	BOUSUK	Financial Institutions	KW	500	4.973	6/4/2030	AT MATURITY	USD	6/4/2025	-	4.89	-
SIB Tier 1 Sukuk Ltd	SIB	Financial Institutions	AE	500	6.125	-	PERP/CALL	USD	6/4/2025	-	6.16	6.21
Mdgh Sukuk Ltd	MUBAUH	Agency	AE	1000	5	6/4/2035	AT MATURITY	USD	6/4/2025	AA	4.86	-
Saudi Arabian Oil Co	ARAMCO	Agency	SA	2250	6.375	6/2/2055	CALLABLE	USD	6/2/2025	A+	6.49	6.49
Saudi Arabian Oil Co	ARAMCO	Agency	SA	1250	5.375	6/2/2035	CALLABLE	USD	6/2/2025	A+	5.37	5.37
Saudi Arabian Oil Co	ARAMCO	Agency	SA	1500	4.75	6/2/2030	CALLABLE	USD	6/2/2025	A+	4.78	4.78
MAR Finance LLC	MAALRA	Financial Institutions	QA	500	4.875	5/29/2030	AT MATURITY	USD	5/29/2025	A	4.87	-
QIB Sukuk Ltd	QIBKQD	Financial Institutions	QA	750	4.803	6/12/2030	AT MATURITY	USD	6/12/2025	-	4.79	-
National Bank of Kuwait/New York NY	NTBKKK	Financial Institutions	KW	285	4.65	9/22/2025	AT MATURITY	USD	6/20/2025	-	4.75	-
SNB Funding Ltd	SNBAB	Financial Institutions	SA	1250	6	6/24/2035	CALLABLE	USD	6/24/2025	BBB	5.86	5.85
Dar Al-Arkan Sukuk Co Ltd	DARALA	Financial Institutions	SA	750	7.25	7/2/2030	AT MATURITY	USD	7/02/2025	B+	7.27	-
National Bank of Ras Al-Khaimah PSC/The	RAKBNK	Financial Institutions	AE	300	6.625	-	PERP/CALL	USD	7/09/2025	-	6.65	6.59
QIC Cayman Ltd	QATIQD	Financial Institutions	QA	500	6.15	-	PERP/CALL	USD	7/10//2025	-	6.20	6.16
NBK Tier 1 Ltd	NTBKKK	Financial Institutions	KW	800	6.375	-	PERP/CALL	USD	7/10//2025	-	6.35	6.18
Riyad Sukuk Ltd	RIBL	Financial Institutions	SA	1250	6.209	14/07/2035	CALLABLE	USD	7/14/2025	BBB-	6.20	6.13
Alinma Sukuk Ltd	ALINMA	Financial Institutions	SA	500	4.937	15/07/2030	AT MATURITY	USD	7/15/2025	A-	4.96	-
CBQ Finance Ltd	COMQAT	Financial Institutions	QA	300	5.6522 774	16/07/2030	AT MATURITY	USD	7/16/2025	A	5.58	-
SNB Sukuk Ltd	SNBAB	Financial Institutions	SA	250	5.938	18/07/2036	CALLABLE	USD	7/18/2025	BBB	5.87	5.96
Banque Saudi Fransi	BSFR	Financial Institutions	SA	250	0	24/09/2025	AT MATURITY	USD	7/23/2025	-	4.65	-
QNB Finance Ltd	QNBK	Agency	QA	1000	4.5	24/07/2030	AT MATURITY	USD	7/24/2025	A+	4.56	-
Arada Sukuk 2 Ltd	ARADAD	Financial Institutions	AE	450	7.15	8/5/2030	AT MATURITY	USD	8/07/2025	BB-	7.09	-

*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

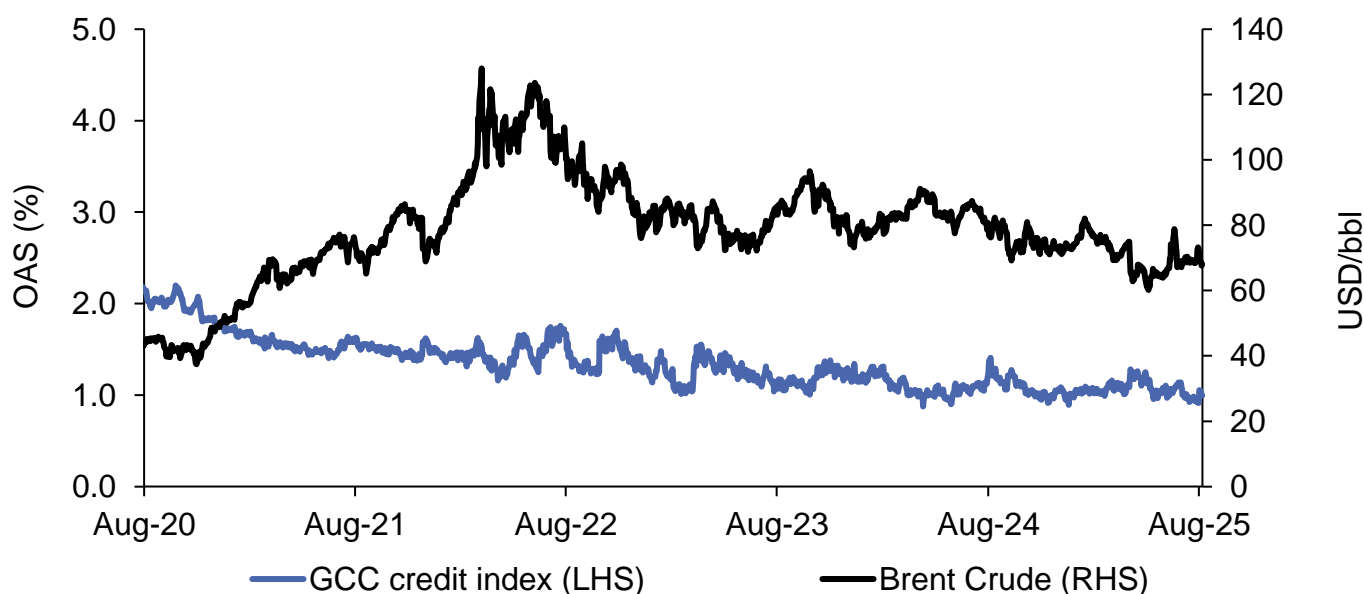
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

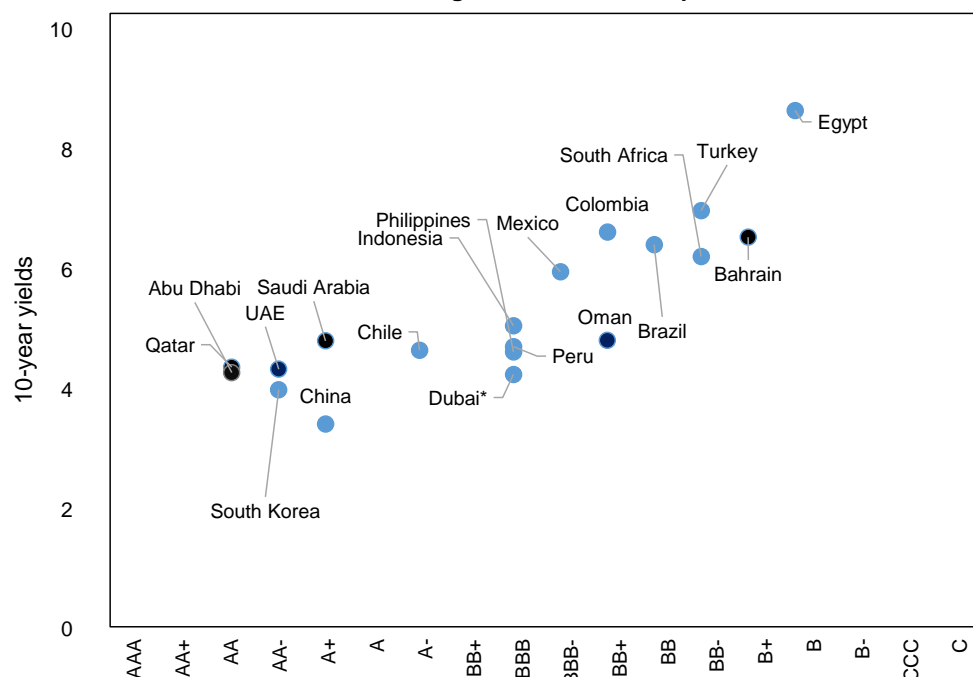
GCC corporate OAS spread versus Brent Crude



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

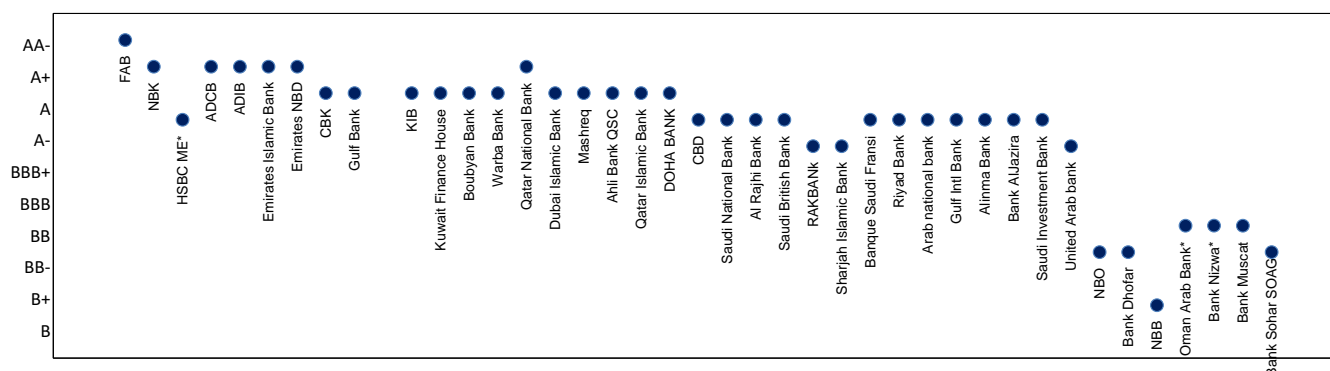
GCC Sovereign Rating

Country	Saudi Arabia	Abu Dhabi	Dubai*	Kuwait	Bahrain	Oman	Qatar	Egypt
Moody's	Aa3	Aa2	Baa2	A1	B2u	Baa3	Aa2	Caa1
Fitch	A+	AA	-	AA-	B+	BB+	AA	B

Note: *DEWA rated used as proxy for Dubai

GCC Financials Credit Rating

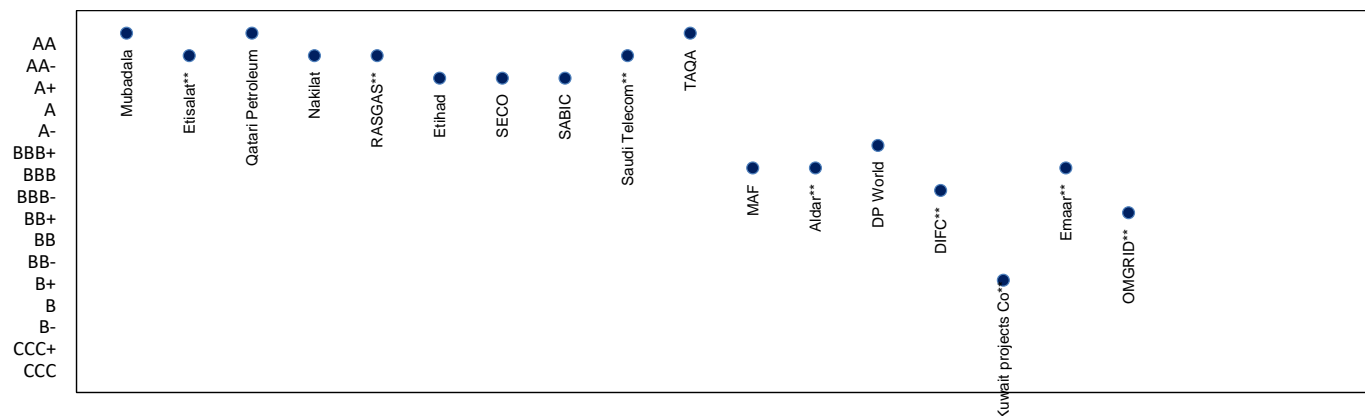
GCC Financials



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

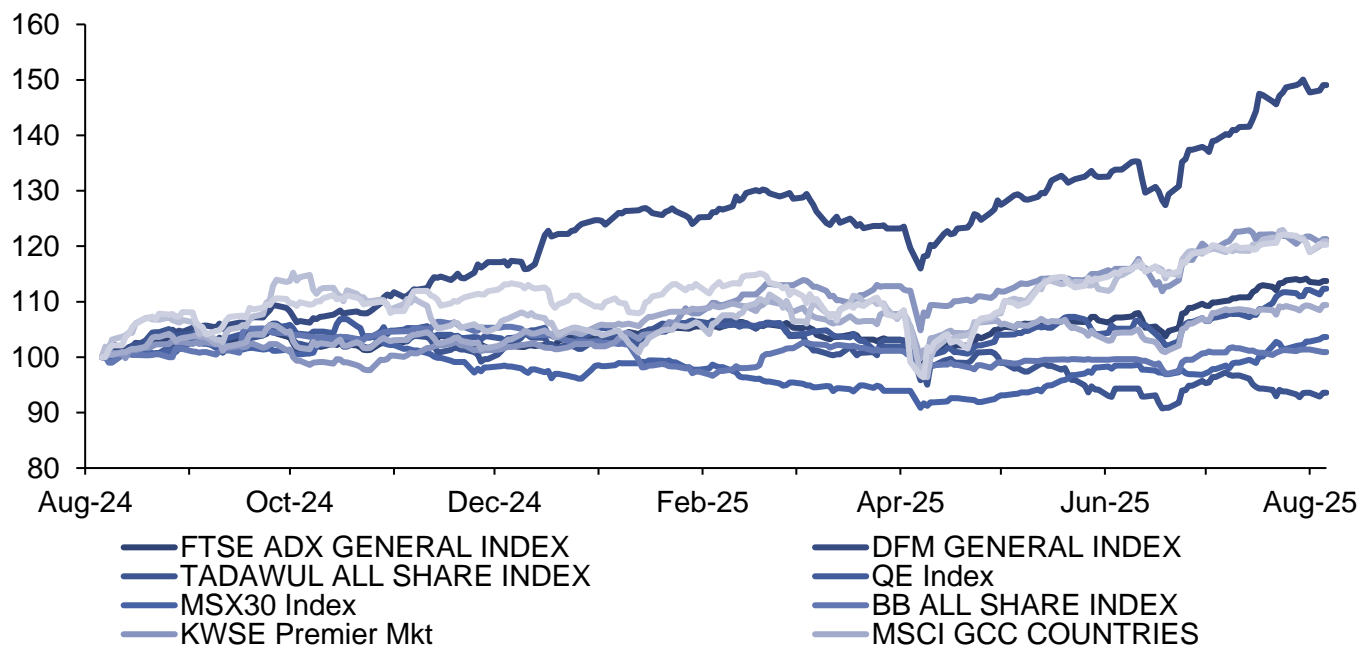
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	15.7x	6.9%	2.2%
DFM	10.4x	#N/-	4.8%
Tadawul	14.0x	13.3%	4.3%
DSM	12.5x	-0.5%	4.5%
MSM30	1.5x	586.0%	5.9%
BHSE	14.5x	-	9.8%
KWSE	18.5x	-19.1%	3.0%
MSCI GCC	13.8x	10.3%	4.1%
MSCI EM	13.9x	6.6%	2.5%
MSCI ACWI	20.2x	7.5%	1.8%

Notes: *data as of 07 August 2025 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

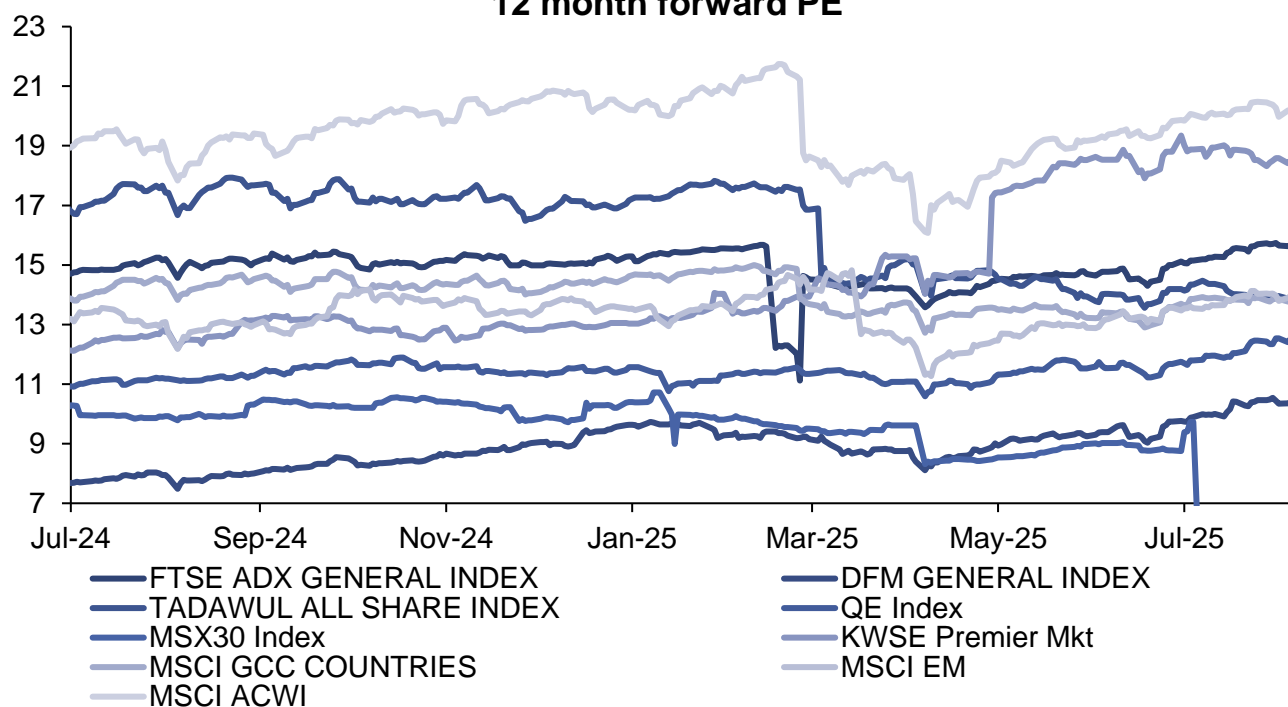
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

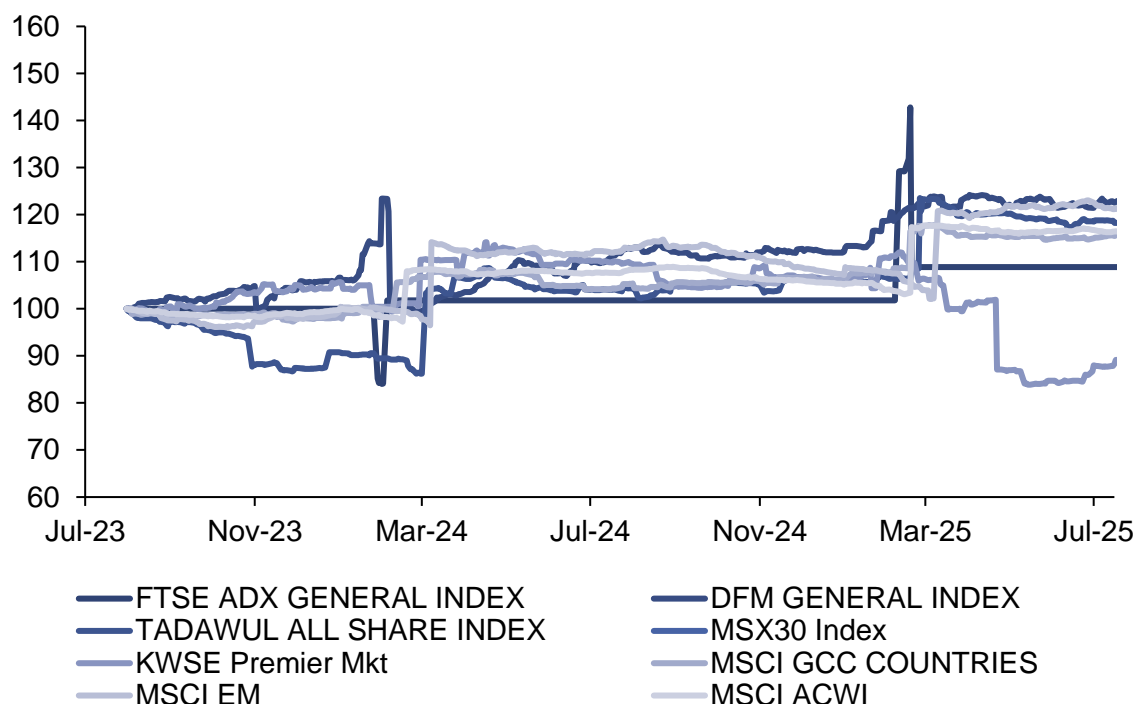
12 month forward PE



Source: Bloomberg, ADCB

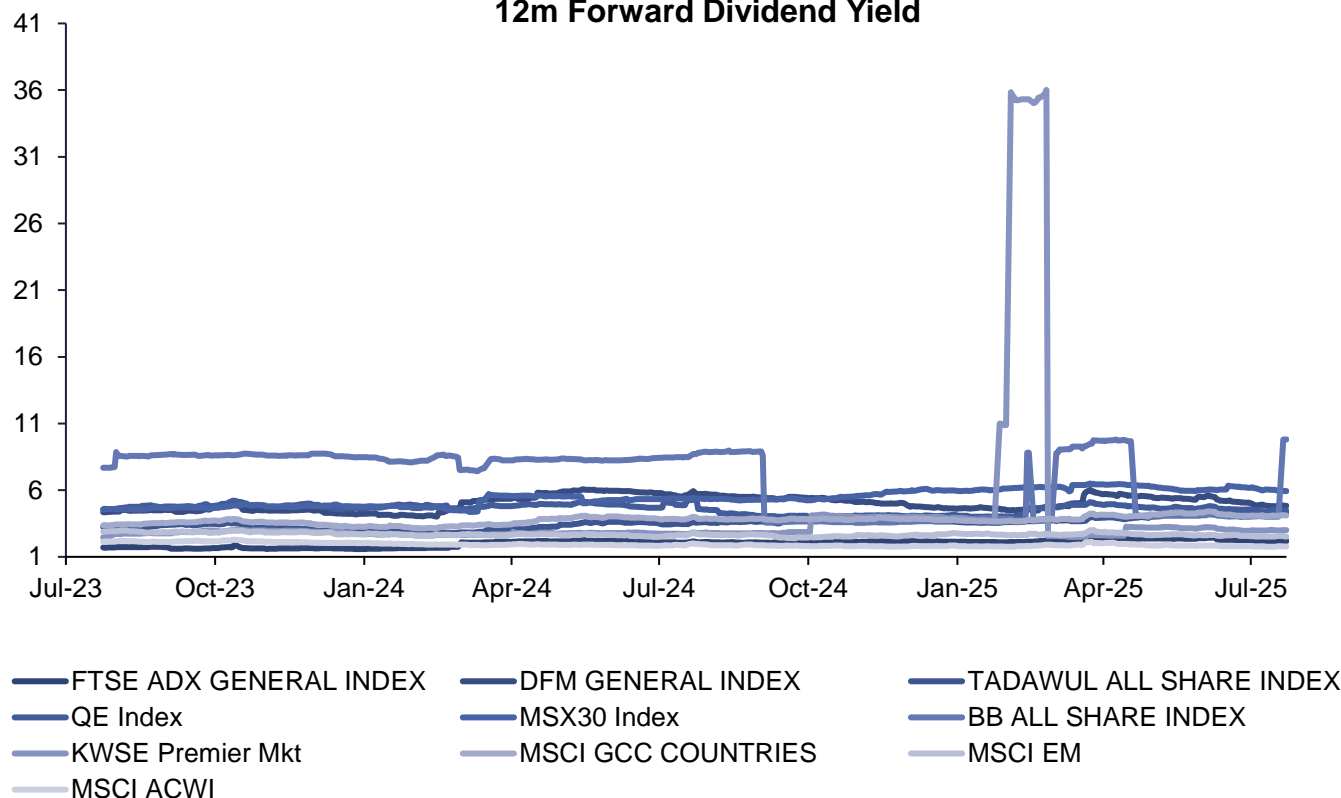
GCC equity 12m forward EPS

12 month forward EPS (indexed to 100 at start)



GCC equity 12m forward dividend yields

12m Forward Dividend Yield



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