

GCC market performance and activity summary

GCC fixed income

Global benchmark bond indices posted modest declines for the week ending 20th August. The Global Aggregate index fell 0.17%, while Global Treasuries slipped 0.24%. UST yields were volatile as market pricing of Fed rate cuts oscillated. EM USD bonds ended flat but EM Asia (+0.12%) recorded gains.

GCC bond indices mostly advanced, with Bahrain, UAE, and Kuwait showing the strongest performance. However, 5Y sovereign CDS spreads widened across all GCC markets except Oman amidst the volatility in oil prices. In the USD sovereign space, 10Y yields rose slightly across the region, with the largest increases in Oman (+3.30bp) while 10Y bond yields declined only in Bahrain.

GCC equities

GCC equity markets ended mixed amid oil price volatility. Gains were recorded in Dubai (+0.44%), Tadawul (+0.41%) and MSM30 (+0.18%) while declines were seen in DSM (-2.94%), BHSE (-0.67%), KWSE (-0.66%) and ADX (-0.46%). MSCI GCC slipped marginally, but outperformed MSCI EM (-0.95%) and MSCI ACWI (-0.64%).

GCC key developments:

- ▶ **Oman's inflation rose by 0.8% in July**
- ▶ **Kuwait rose by 2.39% in July on higher food, beverage prices.**
- ▶ Oman's project spending soared by 37% in H1'25.
- ▶ Masdar allocated over USD1.685bn of green bond proceeds.
- ▶ Saudi wealth fund sold its stakes in Meta, Shopify and PayPal in Q2.

GCC issuances:

It was quiet week in terms of bond issuance activity.

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GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Fixed Income							
Global Agg	494.8	-0.17	6.99	Saudi	5.42	-1.57	0.02
Global Treasuries	207.7	-0.24	6.70	UAE	4.08	-5.64	-35.75
EM USD Agg TR	1337.7	-0.03	7.09	Kuwait	4.06	0.00	12.50
EM LatAm TR	1225.6	-0.14	8.20	Bahrain	5.63	-1.30	-5.91
EM EMEA TR	394.0	-0.03	6.90	Oman	4.51	-1.80	-40.75
EM Asia TR	688.4	0.12	6.02	Qatar	4.70	-5.00	5.00
Bahrain TR	216.4	0.20	6.49	US SOFR	4.33	-1.00	-7.00
Oman TR	168.6	-0.13	7.75	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	164.2	0.10	4.67	Saudi Arabia	63.98	1.21	0.82
Qatar TR	144.8	-0.03	5.22	Abu Dhabi	29.42	0.42	14.49
Saudi Arabia TR	150.3	0.03	6.54	Dubai	58.61	2.60	4.13
UAE TR	151.7	0.10	6.36	Kuwait	58.77	1.60	-16.00
Equity	Latest	-1w %	YTD %	Bahrain	186.44	3.35	1.83
ADX	10205.2	-0.46	9.47	Oman	78.34	-0.73	23.92
DFM	6118.8	0.44	18.80	Qatar	29.36	0.11	14.68
Tadawul	10875.1	0.41	-10.12	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	11303.8	-2.94	6.96	Saudi Arabia	4.79	1.50	-61.30
MSM30	4925.2	0.18	7.99	Abu Dhabi	4.23	0.70	-79.40
BHSE	1933.3	-0.67	-2.35	Dubai	4.14	0.50	-69.20
KWSE	9288.7	-0.66	18.65	Bahrain	6.48	-3.40	-48.10
MSCI GCC	746.1	-0.06	2.74	Oman	4.82	3.30	-91.00
MSCI EM	1259.9	-0.95	17.64	Qatar	4.37	0.50	-46.20
MSCI ACWI	945.8	-0.64	12.60				

Note: data from 14th Aug 2025 to 20th Aug 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Key developments

▶ **Oman's inflation rose by 0.8% in July**

The Consumer Price Index (CPI) in the Sultanate of Oman rose 0.8% YoY in July 2025, based on the 2018 reference year, according to data from the National Centre for Statistics and Information (NCSI). Among the CPI components, 'Miscellaneous Goods and Services' saw the sharpest annual increase at 6.5%, followed by 'Transport' at 4.0% and 'Restaurants and Hotels' at 2.5%. Modest gains were also recorded in 'Health' (+0.8%), 'Clothing and Footwear' (+0.4%), and 'Education' (+0.1%).

(Source: Oman news agency)

▶ **Kuwait rose by 2.39% in July on higher food, beverage prices**

Kuwait's inflation edged up in July, reaching an annual rate of 2.39%, compared to 2.32% in June, driven primarily by rising food and beverage prices, according to data from the Central Statistical Bureau. The food and beverages category—one of the index's main components—rose 0.63% MoM. Miscellaneous goods and services increased by 0.43%, while clothing and footwear saw a 0.27% uptick.

(Source: Arab news)

▶ **Oman's project spending soared by 37% in H1'25**

Oman increased project spending by 37% in H1'25 despite a 6% drop in revenues, driven by lower oil output and prices, according to the Ministry of Finance. Total expenditure rose 5% to OMR6.09bn (USD15.8bn), with development outlays reaching OMR688mn (USD1.7bn)—76% of the full-year capital budget. Current spending remained stable at OMR4.1bn (USD10.6bn). Revenue fell to OMR5.8bn (USD15bn), as oil earnings declined 10% to OMR3bn (USD7.8bn) and gas revenues dropped 6% to OMR884mn (USD2.3bn). Despite the deficit, real GDP growth was estimated at 2.5%.

(Source: Zawya)

▶ **UAE central bank gold reserves rose 26% in January to May 2025**

The UAE Central Bank (CBUAE) raised its gold reserves by 25.9% in the first five months of 2025, reaching AED28.933bn by end-May, up from AED22.981bn in December 2024. May alone saw a 0.49% monthly increase. Demand deposits also climbed to AED1.166tn, with AED 892.6bn in dirhams and AED274.3bn in foreign currencies.

(Source: Zawya)

▶ **Masdar allocated over USD1.685bn of green bond proceeds**

Masdar released its 2024 Green Finance Report, detailing the deployment of USD1.685bn in green bond proceeds from 2023–2024 across solar, wind (onshore and offshore), and energy storage projects. Funds have supported clean energy development in the UAE, Saudi Arabia, US, UK, Germany, and emerging markets including Uzbekistan, Azerbaijan, and Serbia. Each USD1mn invested avoids roughly 3,700 tonnes of CO₂ annually, with total annual emissions avoided exceeding 6.28mn tonnes.

(Source: Zawya)

▶ **Saudi wealth fund sold its stakes in Meta, Shopify and PayPal in Q2**

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(Source: Zawya)

GCC Weekly Market View

Investment Strategy | August 21, 2025

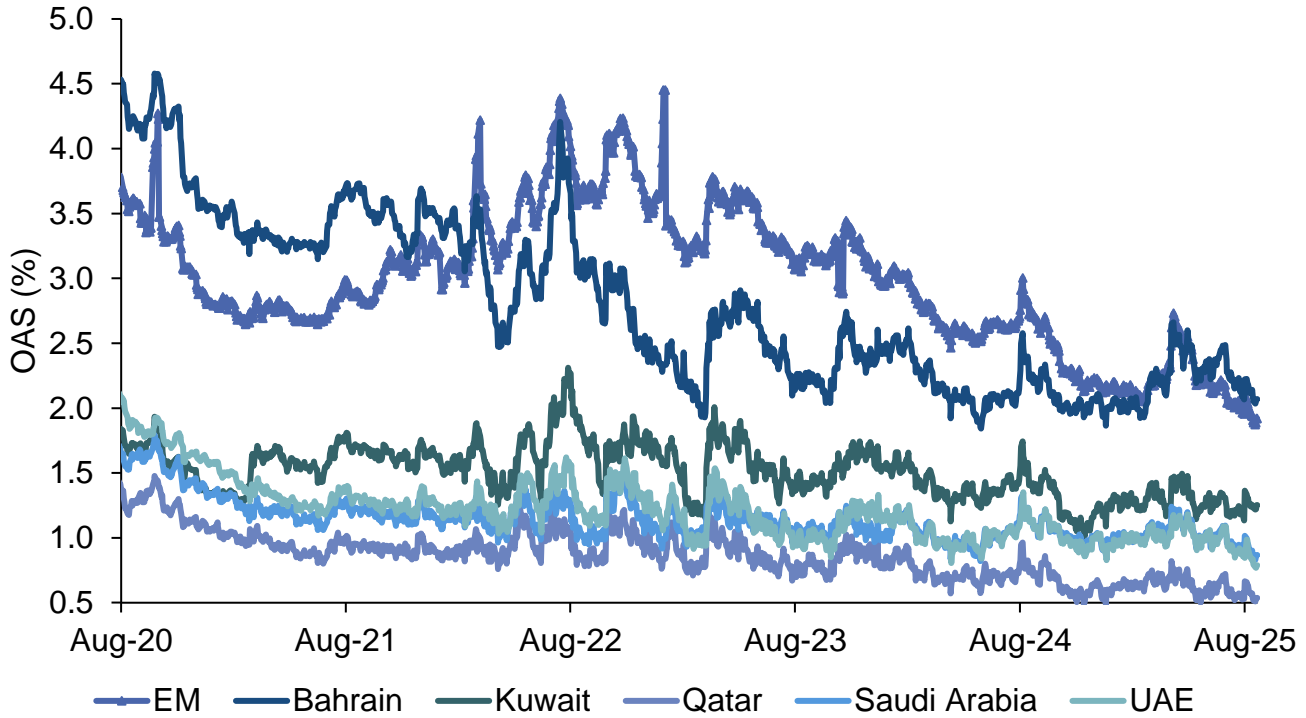
GCC bond issuances

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
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	6/04/2025	-	4.89	-
SIB Tier 1 Sukuk Ltd	SIB	Financial Institutions	AE	500	6.125	-	PERP/CALL	USD	6/04/2025	-	6.16	6.21
Mdgh Sukuk Ltd	MUBAUH	Agency	AE	1000	5	6/4/2035	AT MATURITY	USD	6/04/2025	AA	4.86	-
Saudi Arabian Oil Co	ARAMCO	Agency	SA	2250	6.375	6/2/2055	CALLABLE	USD	6/02/2025	A+	6.49	6.49
Saudi Arabian Oil Co	ARAMCO	Agency	SA	1250	5.375	6/2/2035	CALLABLE	USD	6/02/2025	A+	5.37	5.37
Saudi Arabian Oil Co	ARAMCO	Agency	SA	1500	4.75	6/2/2030	CALLABLE	USD	6/02/2025	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	-
Binghatti Sukuk 2 Spv Ltd	BINHLD	Financial Institutions	AE	500	8.125	8/7/2030	AT MATURITY	USD	8/07/2025	-	7.77	-

*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

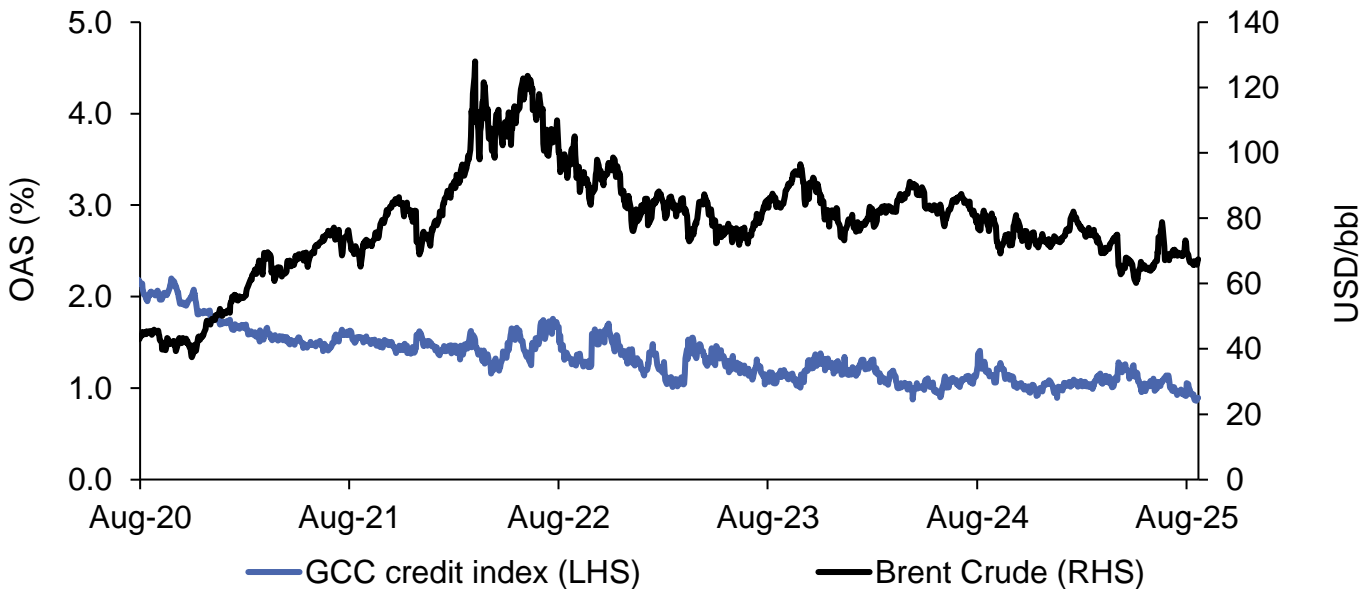
Appendix

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

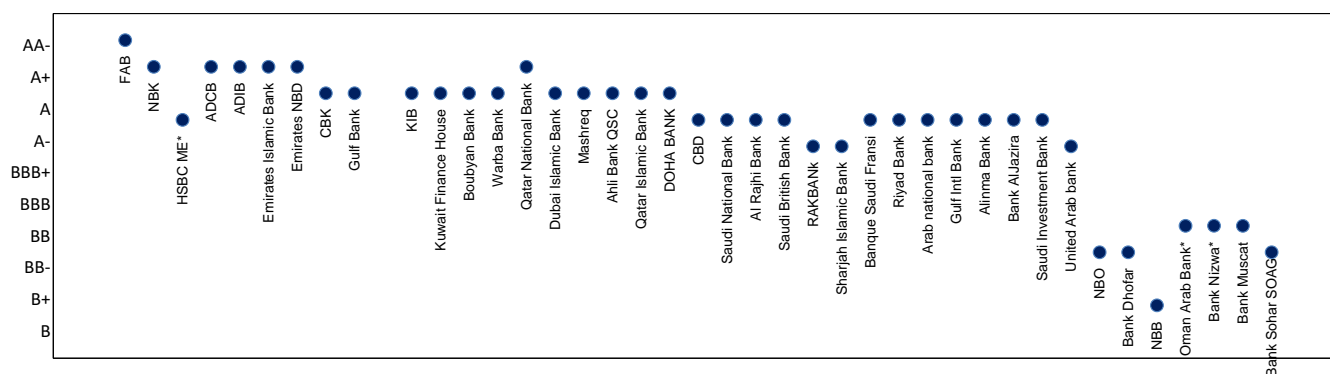
GCC Sovereign Rating

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

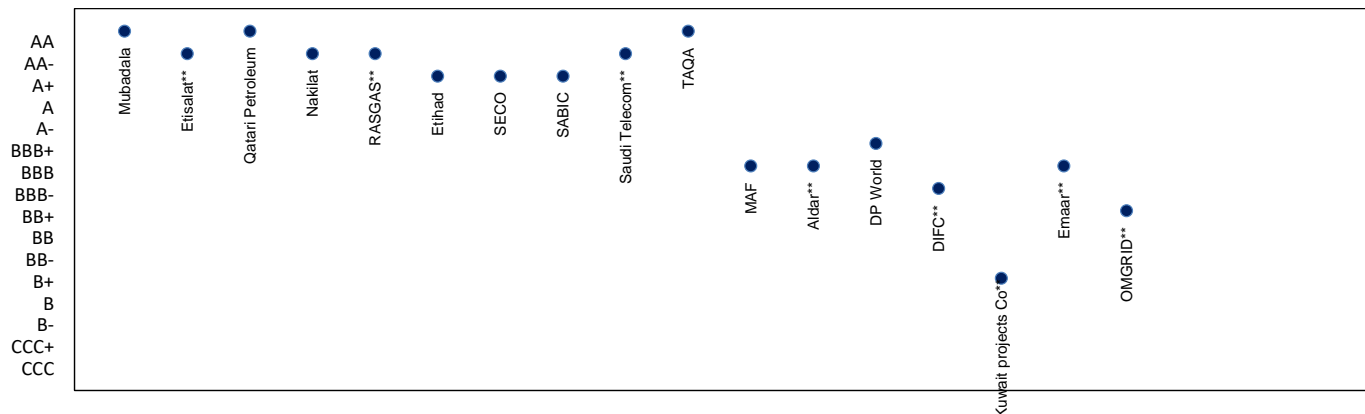
GCC Financials



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	15.5x	7.1%	2.2%
DFM	10.4x	-	4.9%
Tadawul	14.0x	14.6%	4.4%
DSM	12.6x	-0.4%	4.4%
MSM30	1.5x	-	5.8%
BHSE	14.4x	NM	10.0%
KWSE	18.5x	-18.2%	3.0%
MSCI GCC	13.8x	10.9%	4.1%
MSCI EM	14.3x	5.6%	2.5%
MSCI ACWI	20.5x	7.9%	1.8%

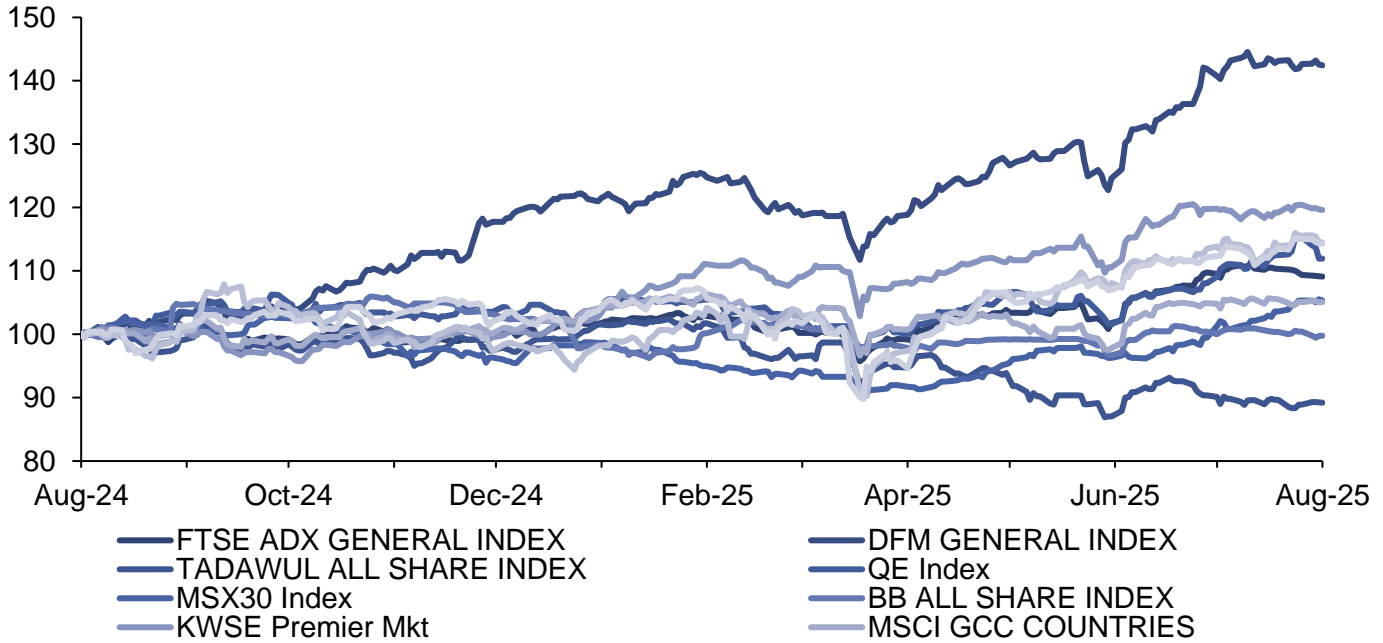
Notes: *data as of 21 August 2025 | Source: Bloomberg, ADCB

GCC Weekly Market View

Investment Strategy | August 21, 2025

GCC equity 1Y Performance

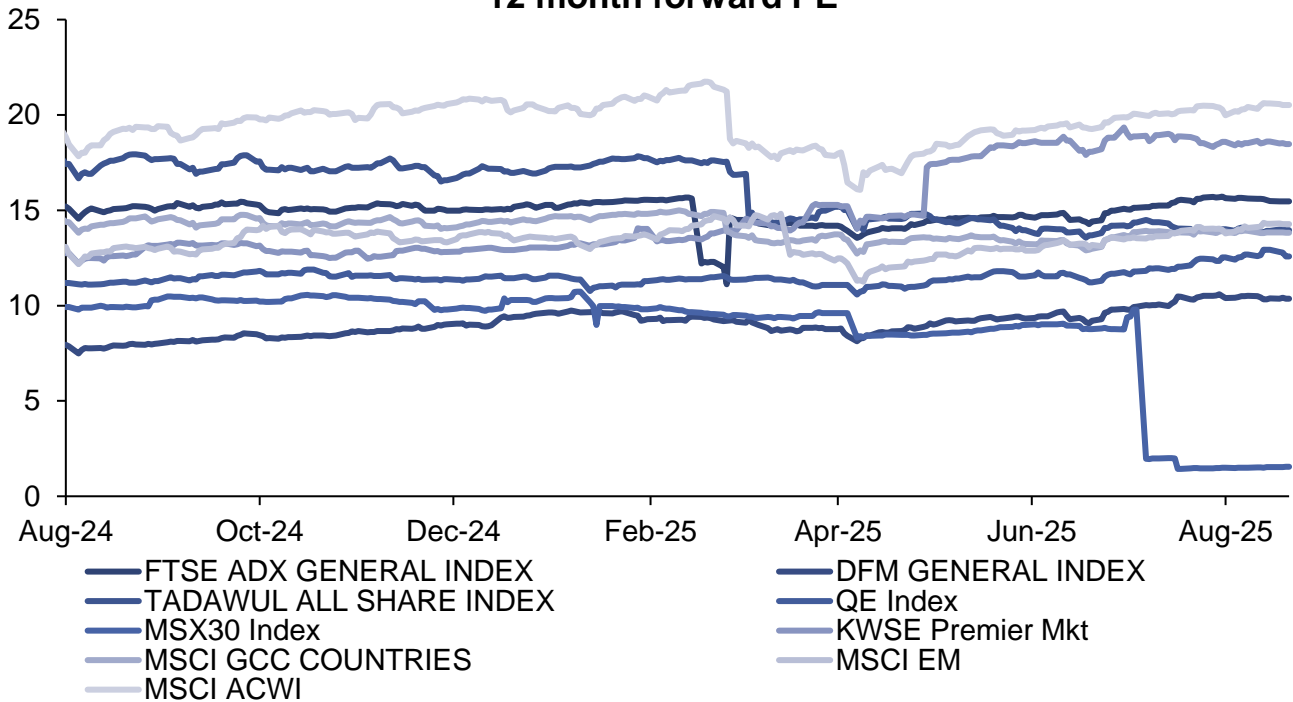
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

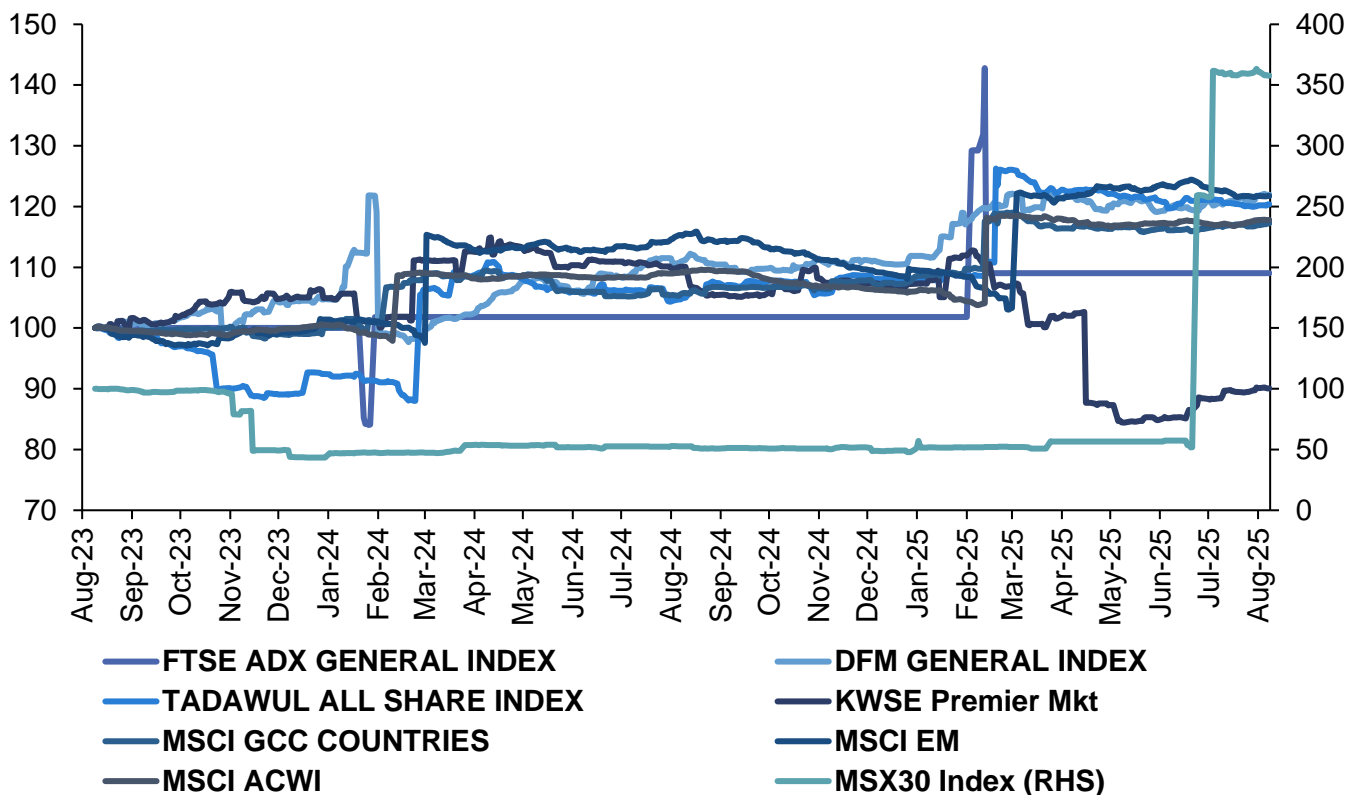
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

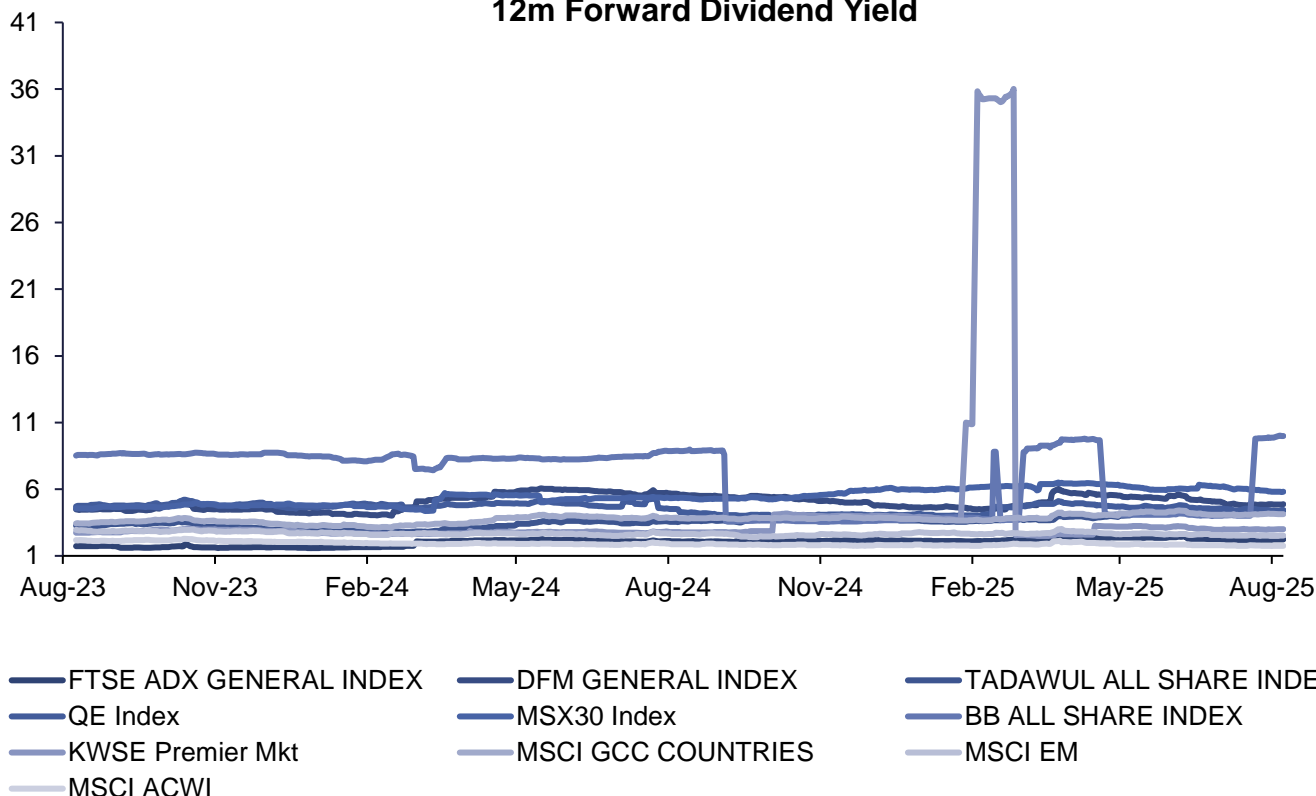
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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