

GCC market performance and activity summary

GCC fixed income

Global benchmark bond indices posted gains for the week ending 26th August. The Global Aggregate index rose 0.09%, while Global Treasuries ended flat. EM Asia (+0.16%) and EM EMEA (+0.09%) recorded gains, while EM LatAm (-0.47%) declined.

GCC bond indices ended the week mixed, with Bahrain outperforming, Kuwait, UAE, and Oman ended flat, while Qatar and Saudi Arabia underperformed. However, 5Y sovereign CDS spreads widened across all GCC markets except for Bahrain and Saudi Arabia. In the USD sovereign, 10Y yields rose across the region, with the largest increases in Saudi Arabia (+1.80bp) while 10Y bond yields declined in Dubai and Bahrain

GCC equities

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

GCC key developments:

- ▶ The Saudi Arabia's non-oil exports rose 18% in Q2 2025.
- ▶ Oman's non-oil exports up 9.1% to USD8.3bn in H1 2025.
- ▶ NBK-Bahrain posted a net profit of USD158.45mn H1 2025.

GCC issuances:

- ▶ Saudi Awwal Bank launched USD1.25bn tier 2 green bond.
- ▶ Banque Saudi Fransi completed USD-denominated tier 2 Capital note issuance.

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GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
Fixed Income				3M interbank			
Global Agg	495.2	0.09	7.09	Saudi	5.37	-4.20	-4.18
Global Treasuries	207.7	0.00	6.71	UAE	4.20	11.19	-24.55
EM USD Agg TR	1336.6	-0.08	7.01	Kuwait	4.06	0.00	12.50
EM LatAm TR	1219.8	-0.47	7.69	Bahrain	5.53	-9.75	-15.66
EM EMEA TR	394.3	0.09	7.00	Oman	4.54	-2.20	-37.95
EM Asia TR	689.5	0.16	6.19	Qatar	4.68	-	2.50
Bahrain TR	216.8	0.17	6.68	US SOFR	4.37	6.00	-3.00
Oman TR	168.6	0.00	7.76	5Y Sov. CDS			
Kuwait TR	164.3	0.04	4.71	Saudi Arabia	63.36	-0.79	1.44
Qatar TR	144.7	-0.05	5.18	Abu Dhabi	30.37	1.21	13.54
Saudi Arabia TR	150.3	-0.04	6.50	Dubai	60.78	3.76	1.96
UAE TR	151.7	0.03	6.39	Kuwait	59.20	0.40	-15.60
Equity				Bahrain	180.60	-2.34	7.67
ADX	10167.0	-0.37	9.06	Oman	80.37	1.80	21.90
DFM	6103.1	-0.31	18.43	Qatar	30.98	1.81	13.06
Tadawul	10874.7	-0.03	-10.15	10Y yield			
DSM	11405.5	0.87	7.89	Saudi Arabia	4.80	1.80	-59.50
MSM30	5014.4	1.53	9.64	Abu Dhabi	4.24	1.20	-78.20
BHSE	1929.8	-0.16	-2.50	Dubai	4.08	-5.60	-74.80
KWSE	9178.7	-1.31	17.09	Bahrain	6.46	-1.80	-49.90
MSCI GCC	744.2	-0.25	2.48	Oman	4.83	0.70	-90.30
MSCI EM	1274.2	1.14	18.97	Qatar	4.38	0.60	-45.60
MSCI ACWI	952.7	0.73	13.43				

Note: data from 20th Aug 2025 to 26th Aug 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Key developments

► **The Saudi Arabia's non-oil exports rose 18% in Q2 2025**

Saudi Arabia's non-oil exports, including re-exports, grew 17.8% YoY to SAR88bn in Q2 of 2025, up from SAR74bn in the same period of 2024. Growth was particularly strong in June 2025, with exports climbing 22.1% compared to a year earlier, according to the General Authority for Statistics (GASTAT).

(Source: Zawya)

► **Oman's non-oil exports grew 9.1% to USD8.3bn in H1 2025**

According to the National Centre for Statistics and Information (NCSI), Oman's non-oil exports rose 9.1% in H1 of 2025, reaching OMR3.26bn (USD8.3bn), compared with OMR2.989bn a year earlier. Growth was driven by stronger demand from key global markets. Mineral exports increased 4% to OMR886mn, while chemical products rose 4.4% to OMR403mn. Exports of plastics, rubber and related goods advanced 3.1% to OMR488mn, and base metals edged up 0.5% to OMR674mn. Live animal and animal product exports surged 150% to OMR274mn. In contrast, re-export activity fell 5.9% to OMR815mn, weighed down by weaker transshipments of transport equipment and mineral products.

(Source: Zawya)

► **NBK-Bahrain posted a net profit of USD158.45mn H1 2025**

National Bank of Kuwait-Bahrain (NBK-Bahrain) posted a net profit of BHD59.74mn (USD158.45mn) in the H1 of 2025, down from BHD70mn (USD185.66mn) a year earlier. Profit before tax stood at BHD70.42mn (USD186.79mn), broadly unchanged from the prior year. Total assets rose to BHD8.48bn (USD22.5bn) at end-June 2025, compared with BHD7.15bn (USD18.96bn) a year earlier. Shareholders' equity grew 10% YoY to BHD1.41bn (USD3.73bn), while customer deposits reached BHD2.64bn (USD7bn).

(Source: Zawya)

► **Saudi Awwal Bank launched USD1.25bn tier 2 green bond**

Saudi Awwal Bank (SAB) has successfully launched a USD1.25bn tier 2 green bond offering, priced at T+200bp over US Treasuries. The 10-year maturity notes are callable after 5 years and have received strong investor demand, with the order book exceeding USD3.3bn. This issuance aligns with SAB's strategy to bolster its Tier 2 capital in compliance with Basel III requirements and to support environmentally sustainable projects under its Green Financing Framework. The notes are listed on the London Stock Exchange's International Securities Market (ISM) and are being offered to qualified investors both within Saudi Arabia and internationally.

(Source: Zawya)

► **Banque Saudi Fransi completed USD-denominated tier 2 Capital note issuance**

Banque Saudi Fransi (BSF) has successfully completed the issuance of USD1bn Tier 2 capital notes under its Medium-Term Note (MTN) Programme. The notes were priced at a 5.761% annual yield, with a 10-year maturity and a call option after 5 years. The settlement date for the issuance is scheduled for September 3, 2025. This strategic move aligns with Basel III capital adequacy requirements and supports Saudi Arabia's Vision 2030 objectives by diversifying funding sources and attracting international investors.

(Source: Argaam)

GCC Weekly Market View

Investment Strategy | August 28, 2025

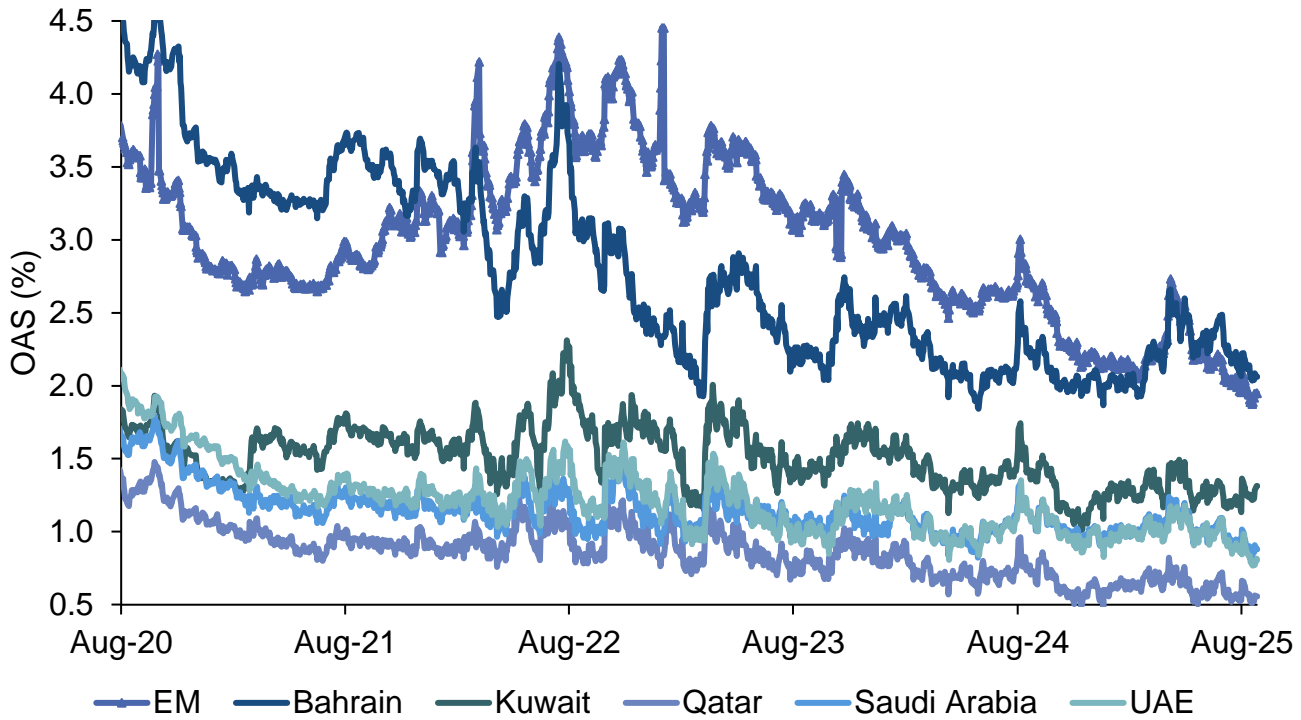
GCC bond issuances

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

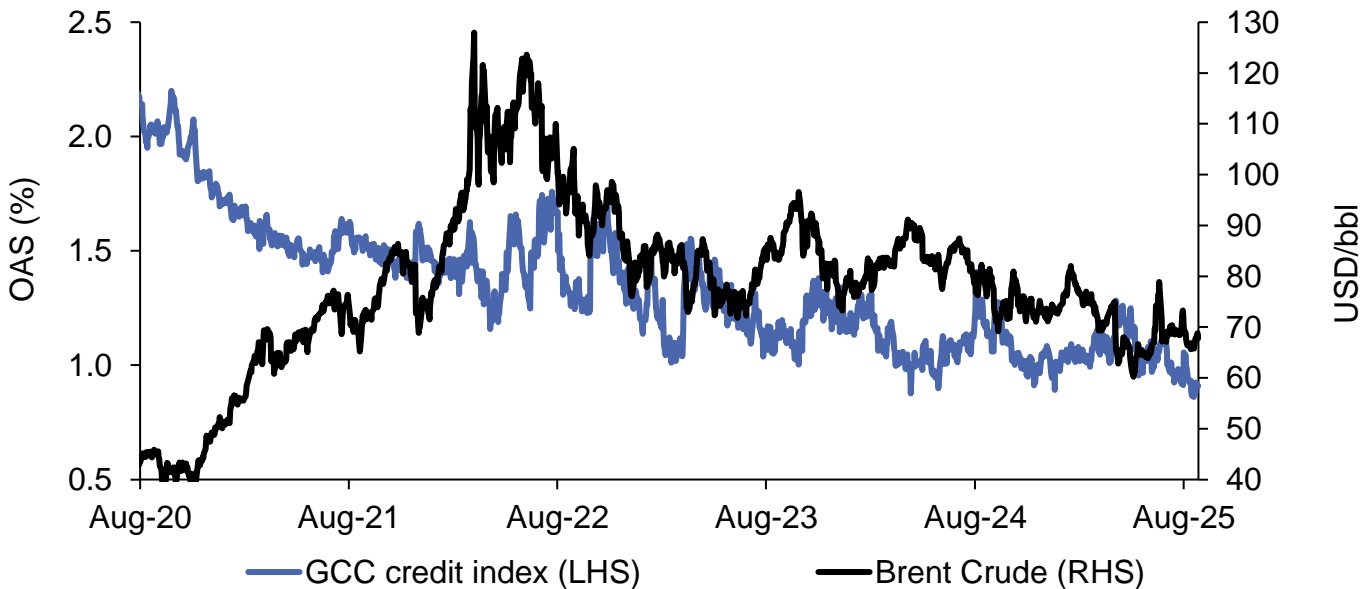
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

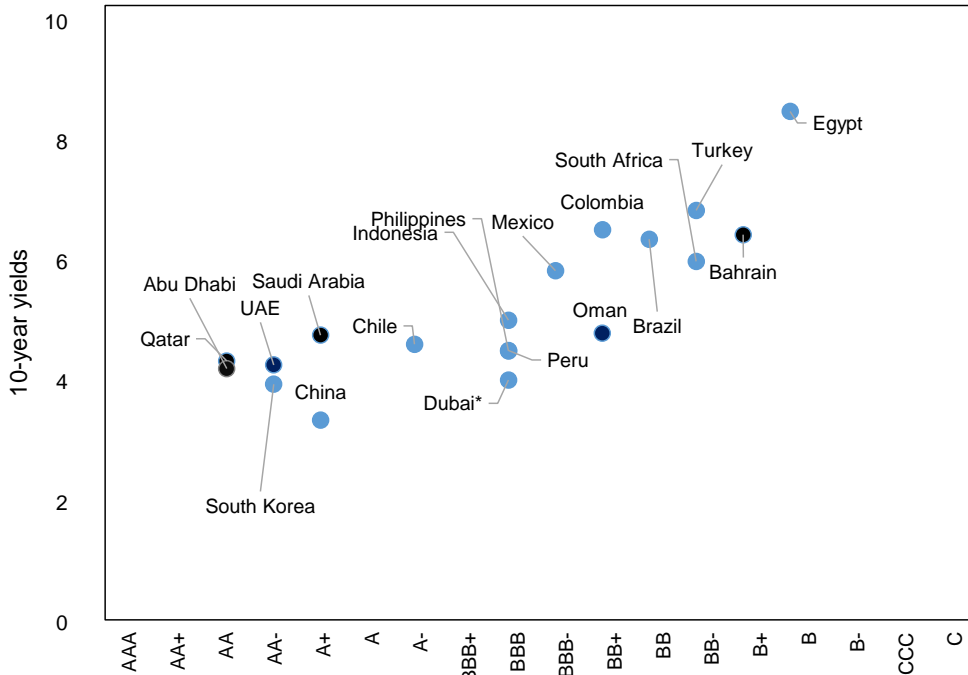
GCC corporate OAS spread versus Brent Crude



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

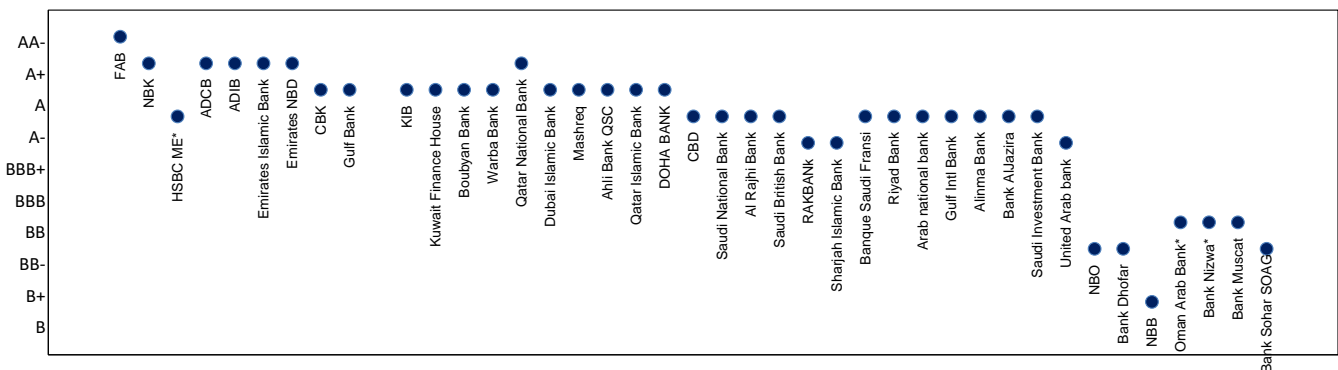
GCC Sovereign Rating

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

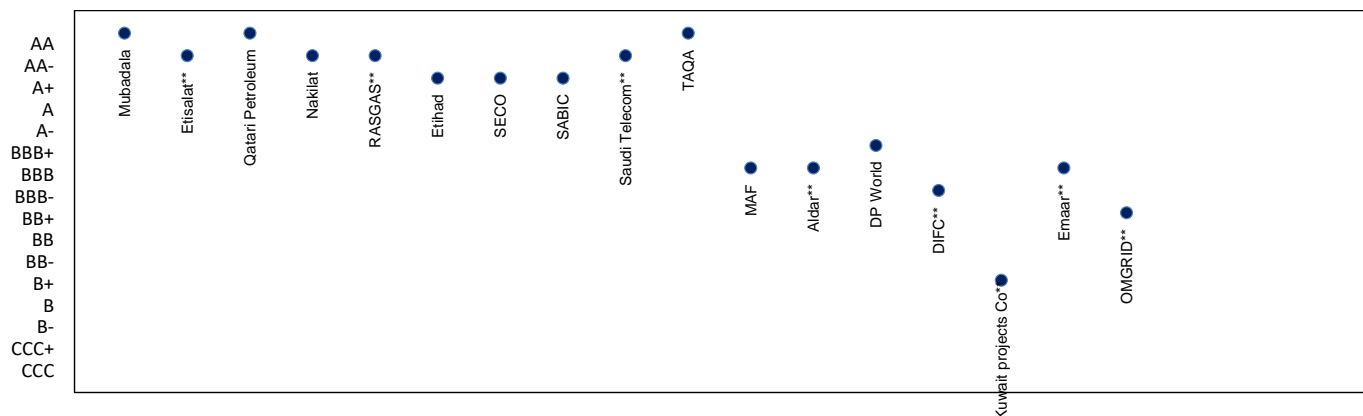
GCC Financials



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

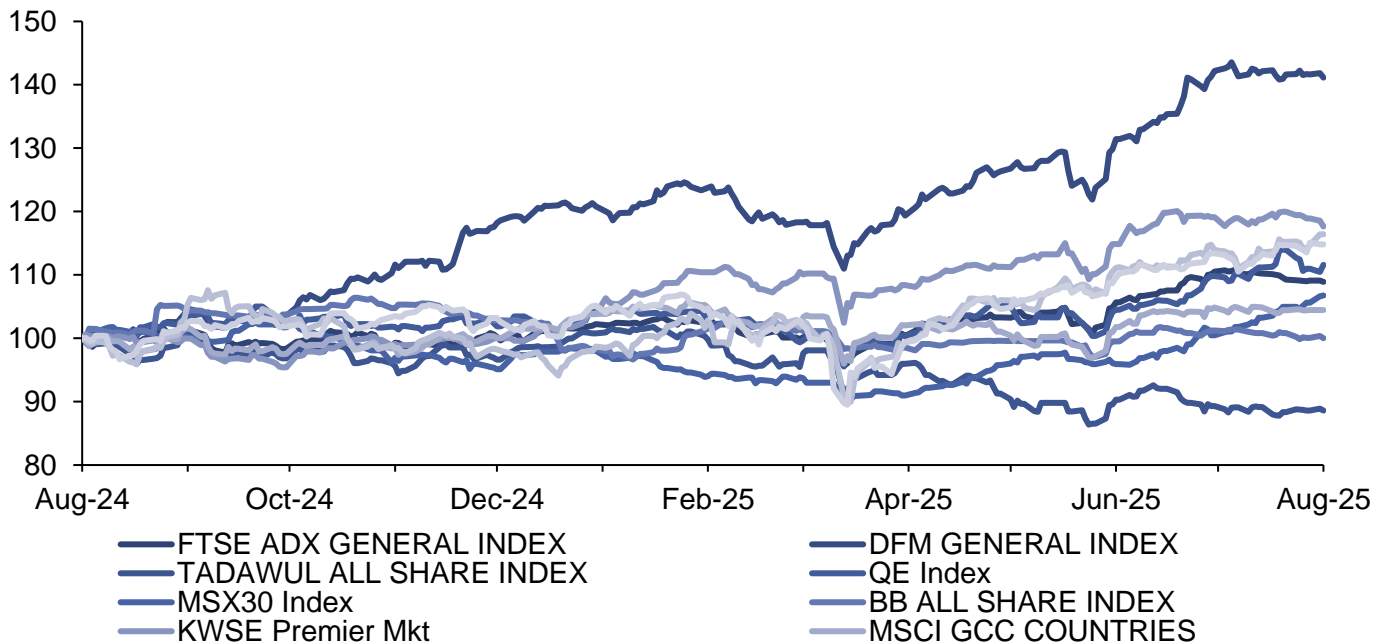
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	15.5x	7.1%	2.2%
DFM	110x	-	0.0%
Tadawul	14.0x	13.6%	4.3%
DSM	12.6x	-0.3%	4.4%
MSM30	1.6x	-	5.7%
BHSE	14.4x	-	10.0%
KWSE	18.3x	-15.3%	3.0%
MSCI GCC	13.8x	11.1%	4.1%
MSCI EM	14.2x	5.3%	2.5%
MSCI ACWI	20.6x	7.9%	1.7%

Notes: *data as of 28 August 2025 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

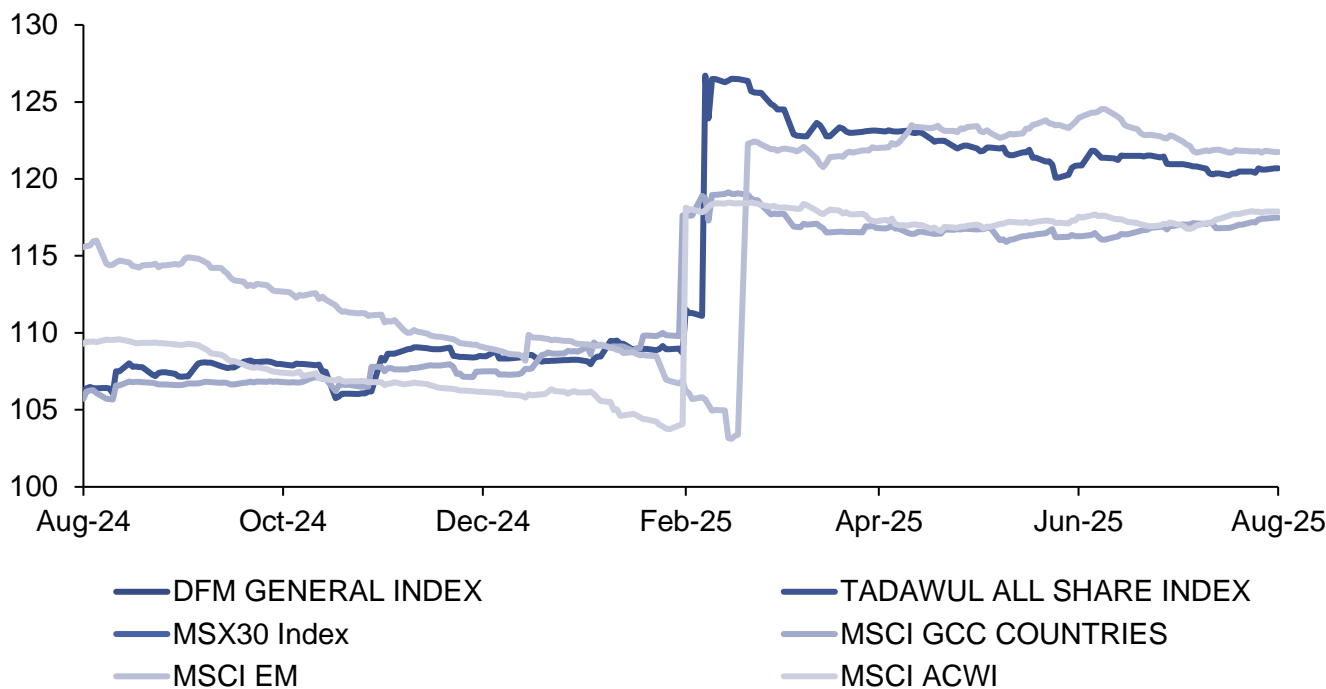
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

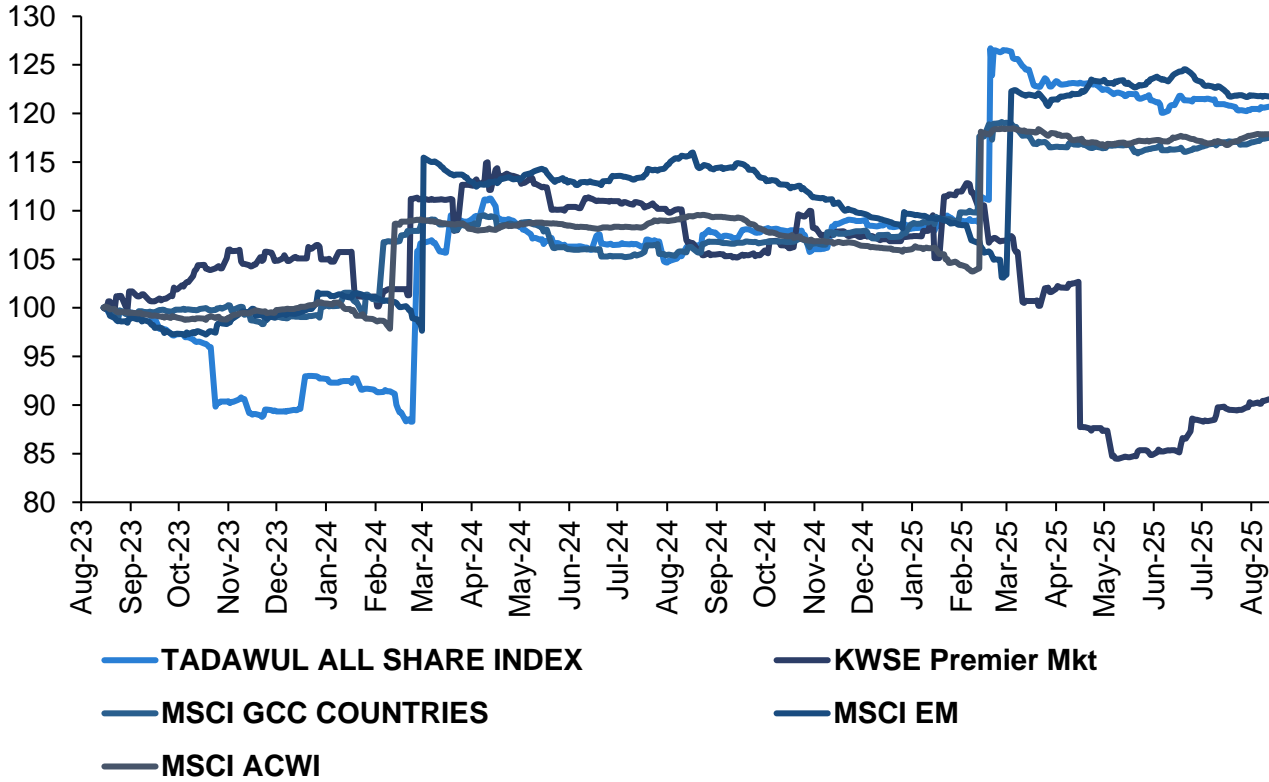
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

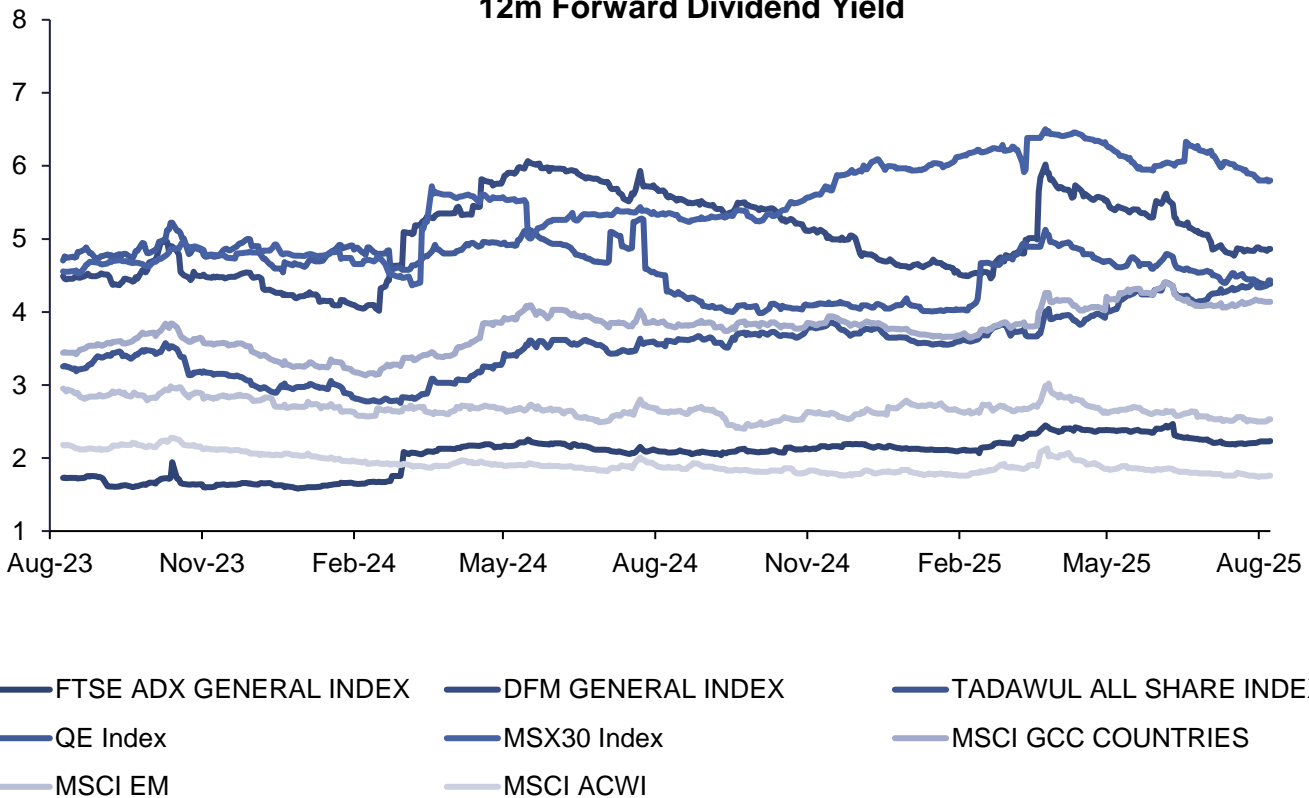
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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