

GCC market performance

GCC fixed income:

Global benchmark bond index recorded marginal losses over the week (ending 10th November 2024). 10Y UST yields rose over the week ahead of November inflation data. In credit, Global corporate IG posted losses, but Global HY posted marginal gains. EM bonds had a positive week, led by EM EMEA.

All GCC bond indices recorded positive returns. Qatar and Saudi Arabia were the best performers. 5yr CDS spreads widened in Saudi Arabia and Oman, but tightened in Bahrain and Dubai. In the USD sovereign market, the 10yr USD bond yields declined in Oman, Qatar, and Saudi Arabia while jumped in Kuwait, Bahrain, Abu Dhabi and Dubai.

GCC equities:

Most regional indices posted mixed gains last week with Dubai, Oman, Bahrain and Abu Dhabi posting declines, while the rest of the GCC recorded gains. Saudi Arabia posted the largest weekly gains (2.58%), outperforming the rest of regional indices. On the other hand, Dubai underperformed the most, posting loss of (1.23%). MSCI GCC posted gains of 1.98%, outperforming MSCI ACWI which recorded losses (-0.67%) and MSCI EM which rose c1%.

GCC key developments:

- **GCC economic growth forecasted to rebound in 2025-2026, as per World Bank.**
- **UAE's non-oil economy maintained strong growth in November.**
- **Saudi Arabia recorded 2.8% YoY GDP growth in Q3 2024.**
- **Oman's trade surplus widened to over USD55.6bn in the first nine months of 2024.**

GCC bond issuances:

- It was a quiet week in terms of issuance activity.

Mohammed Al Hemeiri

Senior Analyst

Tel: +971 (0) 281 264 50

mohammed.alhemeiri@adcb.com

Prerana Seth, CFA

Fixed Income Strategist

Tel: +971 (0) 281 264 49

prerana.seth@adcb.com

Ahmed Al Falahi

Analyst

Tel: +971 (0) 281 264 98

ahmed.a5@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0) 281 264 57

kishore.muktinutalapati@adcb.com

Visit [Investment Strategy Webpage](#)

to read our other reports

GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
Fixed Income				3M interbank			
Global Agg	473.0	-0.16	1.38	Saudi	5.59	4.98	-64.17
Global Treasuries	199.5	-0.27	-0.24	UAE	4.27	-20.99	-114.99
EM USD Agg TR	1268.8	0.25	9.30	Kuwait	4.00	6.25	-31.25
EM LatAm TR	1151.8	0.31	13.90	Bahrain	5.85	1.69	-67.44
EM EMEA TR	375.0	0.37	7.97	Oman	5.06	-1.80	-97.80
EM Asia TR	657.3	0.00	6.27	Qatar	4.90	-	-122.50
Bahrain TR	205.4	0.22	8.25	US SOFR	4.63	4.00	-76.00
Oman TR	158.8	0.22	6.23	5Y Sov. CDS			
Kuwait TR	157.2	0.05	6.03	Saudi Arabia	63.33	0.60	8.90
Qatar TR	140.7	0.45	4.65	Abu Dhabi	42.39	-	-1.30
Saudi Arabia TR	144.2	0.24	4.18	Dubai	63.71	-0.30	-
UAE TR	144.6	0.22	4.58	Kuwait	75.90	-	20.80
Equity				Bahrain	191.24	-0.60	-21.40
ADX	9249.9	-0.16	-4.79	Oman	102.02	0.30	-20.20
DFM	4794.1	-1.23	17.57	Qatar	42.40	-	-4.40
Tadawul	12193.6	2.58	2.22	10Y yield			
DSM	10496.3	1.54	1.07	Saudi Arabia	4.91	-1.30	16.10
MSM30	4532.9	-0.98	-1.02	Abu Dhabi	4.64	0.40	37.00
BHSE	2016.7	-0.94	2.71	Dubai	4.58	0.20	-10.20
KWSE	7846.0	0.65	2.83	Kuwait	4.73	8.40	45.30
MSCI GCC	718.3	1.98	0.56	Bahrain	6.47	4.90	-27.60
MSCI EM	1111.7	1.02	10.82	Oman	5.35	-1.50	-13.70
MSCI ACWI	866.4	-0.67	21.26	Qatar	4.48	-1.40	26.10

Note: data from 4th December 2024 to 10th December 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

GCC economic growth is forecasted to rebound in 2025-2026 – as per World Bank

The World Bank predicts moderate economic growth of 1.6% for the GCC region in 2024, followed by a stronger expansion of 4.2% in 2025-2026. This recovery will be driven primarily by the non-oil sector, which is projected to grow by 3.7%, reflecting the success of diversification and reform efforts. Saudi Arabia's GDP is expected to grow modestly by 1.1% in 2024, supported by a 4.6% increase in the non-oil sector, which will be offset by a 6.1% decline in oil GDP caused by extended production cuts. Growth is forecasted to accelerate to 4.7% in 2025-2026, driven by increased oil output and stable non-oil growth at 4.5%. The UAE's economy is forecasted to expand by 3.3% in 2024, with a robust 4.1% growth in the non-oil sector, buoyed by strong performance in tourism, real estate, construction, transport, and manufacturing. GDP growth is expected to strengthen to 4.1% in 2025-2026, bolstered by a recovery in oil production. Oman's economic growth is set to accelerate to an average of 3% in 2025-2026, supported by government reforms and increased investments in non-oil sectors. Qatar is projected to see modest growth of 2.4% in 2024-2025, followed by a sharper expansion of 4.1% in 2025-2026, driven largely by increased gas production. Bahrain's GDP is expected to grow by 3.5% in 2024, up from 3.0% in 2023. Growth is predicted to moderate slightly to 3.3% in 2025-2026, as oil sector output rises. Kuwait faces a challenging 2024, with a projected 1% contraction due to extended OPEC+ production cuts. However, its economy is forecasted to rebound with a 2.6% growth in 2025-2026, supported by higher oil production and infrastructure investments. The region's overall outlook is underpinned by continued diversification and reform measures, positioning the non-oil sector as a key driver of future growth.

(Source: Zawya)

UAE's non-oil economy maintained strong growth in November

The UAE's non-oil sector grew robustly in November 2024, with new orders rising at their fastest pace since August. The UAE Purchasing Managers' Index (PMI) edged up from 54.1 in October to 54.2 in November, indicating continued economic health. Dubai's PMI also improved, reaching 53.9 in November, driven by a surge in new orders and rising sales.

(Source: Zawya)

Saudi Arabia recorded 2.8% YoY GDP growth in Q3 2024

Saudi Arabia's GDP grew 2.8% YoY in Q3 2024, with non-oil activities expanding by 4.3% YoY. Government activities grew 3.1% annually, while oil activities remained nearly flat. Sectors like retail, hotels, and financial services recorded the highest growth rates. Consumer spending and fixed capital investment showed significant annual growth but mixed quarterly trends.

(Source: Zawya)

Oman's trade surplus widened to over USD55.6bn in the first nine months of 2024

According to the National Centre for Statistics and Information (NCSI), Oman's trade balance recorded a surplus of OMR6.063bn in the first nine months of 2024, a rise of 8% when compared to 2023. Oman's exports reached OMR18.241bn from January to September 2024, marking a 10% increase from OMR16.590bn during the same period in 2023. Meanwhile, imports into Oman grew by 10.9%, amounting to OMR12.178bn, up from OMR10.979bn in the first nine months of 2023.

(Source: Zawya)

GCC Weekly Market View

December 11 2024

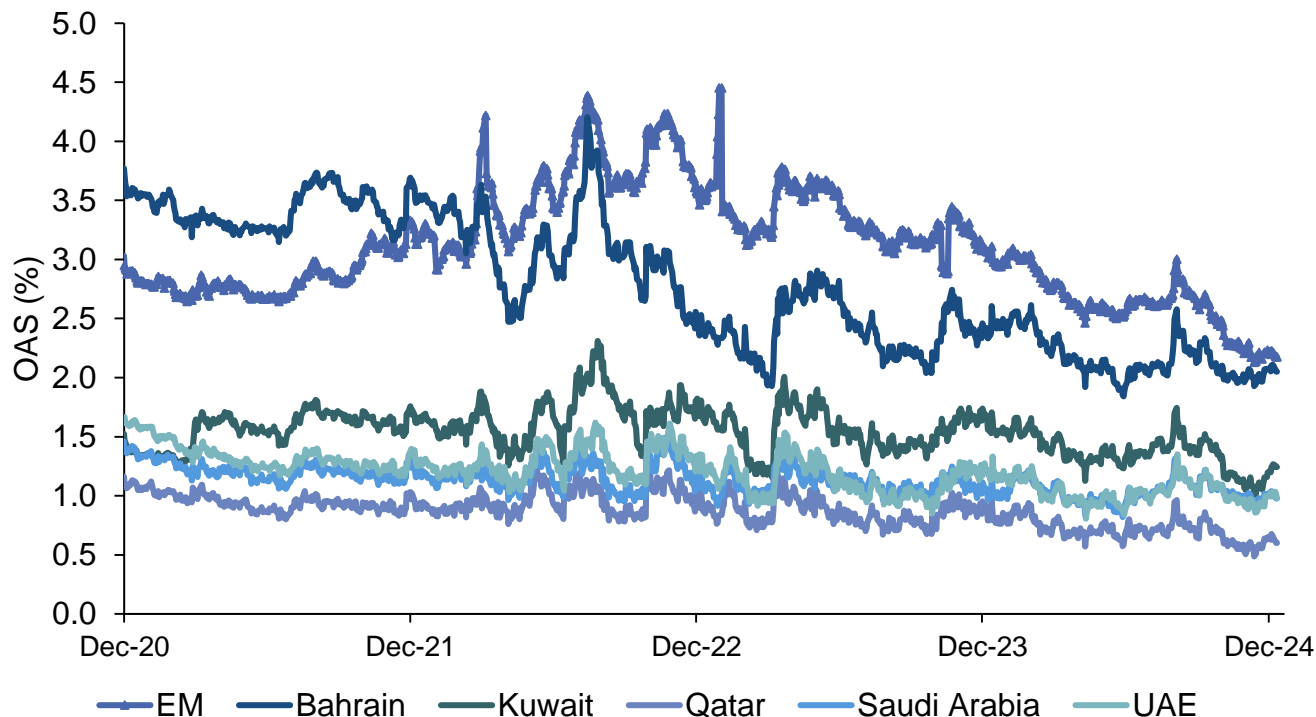
GCC bond issuances table

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg^	YTM	YTC (mid)
Equate Sukuk Spc Ltd	EQPCKW	Agency	KW	750	5	9/5/2031	CALLABLE	USD	9/5/2024	BBB	4.94	4.94
Abu Dhabi Commercial Bank	ADCBUH	Agency	AE	500	5.361	3/10/2035	CALLABLE	USD	9/10/2024	A-	5.14	5.11
Suci Second Investment Co	PIFKSA	Agency	SA	1500	4.375	9/10/2027	AT MATURITY	USD	9/10/2024	A+	4.50	-
National Bank of Ras Al-Khaimah PSC/The	RAKBNK	Financial Institutions	AE	250	5.873	12/10/2034	CALLABLE	USD	9/10/2024	BBB-	6.42	5.73
Gaci First Investment Co	PIFKSA	Agency	SA	500	5.25	10/13/2032	CALLABLE	USD	9/10/2024		4.83	4.82
Adnoc Murban Rsc Ltd	ADNOCM	Agency	AE	1500	5.125	9/11/2054	CALLABLE	USD	9/11/2024	AA	5.19	5.19
Adnoc Murban Rsc Ltd	ADNOCM	Agency	AE	1500	4.5	9/11/2034	CALLABLE	USD	9/11/2024	AA	4.61	4.62
Adnoc Murban Rsc Ltd	ADNOCM	Agency	AE	1000	4.25	9/11/2029	CALLABLE	USD	9/11/2024	AA	4.24	4.24
BOS Funding Ltd	BOSUH	Financial Institutions	AE	500	5.25	9/12/2029	AT MATURITY	USD	9/12/2024	BBB+	5.49	-
Al Ahli Bank of Kuwait KSCP	ALAHKW	Financial Institutions	KW	300	6.5	-	PERP/CALL	USD	9/12/2024	-	6.38	6.42
QIB Sukuk Ltd	QIBKQD	Financial Institutions	QA	750	4.485	9/17/2029	AT MATURITY	USD	9/17/2024	A	4.40	-
Qiiib Tier 1 Sukuk LLC	QIIKQD	Financial Institutions	QA	300	5.45	-	PERP/CALL	USD	10/2/2024	-	5.42	5.32
SA Global Sukuk Ltd	ARAMCO	Agency	SA	1500	4.75	10/2/2034	CALLABLE	USD	10/2/2024	A+	4.80	4.80
SA Global Sukuk Ltd	ARAMCO	Agency	SA	1500	4.25	10/2/2029	CALLABLE	USD	10/2/2024	A+	4.39	4.39
Abu Dhabi Developmental	ADQABU	Agency	AE	1000	5.25	10/2/2054	CALLABLE	USD	10/2/2024	AA	5.28	5.28
SA Global Sukuk Ltd	ARAMCO	Agency	SA	1500	4.75	10/2/2034	CALLABLE	USD	10/2/2024	A+	5.02	5.02
Abu Dhabi Developmental	ADQABU	Agency	AE	1000	5.25	10/2/2054	CALLABLE	USD	10/2/2024	AA	5.47	5.47
SA Global Sukuk Ltd	ARAMCO	Agency	SA	1500	4.25	10/2/2029	CALLABLE	USD	10/2/2024	A+	4.65	4.65
Abu Dhabi Developmental	ADQABU	Agency	AE	1000	4.375	10/2/2031	CALLABLE	USD	10/2/2024	AA	4.68	4.69
Qiiib Tier 1 Sukuk LLC	QIIKQD	Financial Institutions	QA	300	5.45	-	PERP/CALL	USD	10/2/2024	-	5.64	5.37
QNB Finance Ltd	QNBK	Agency	QA	300	6.012	10/8/2029	AT MATURITY	USD	10/8/2024	-	5.99	-
Abu Dhabi National Energy Co PJSC	TAQAUH	Agency	AE	850	4.75	3/9/2037	AT MATURITY	USD	10/9/2024	AA	5.01	-
Abu Dhabi National Energy Co PJSC	TAQAUH	Agency	AE	900	4.375	10/9/2031	AT MATURITY	USD	10/9/2024	AA	4.70	-
Mazoon Assets Co SAOC	MAZOOM	Agency	OM	750	5.25	10/9/2031	AT MATURITY	USD	10/9/2024	BB+	5.37	-
BBG Sukuk Ltd	DUKHAN	Financial Institutions	QA	800	4.56	10/9/2029	AT MATURITY	USD	10/9/2024	A	4.65	-
Ooredoo International Finance Ltd	QTELQD	Agency	QA	500	4.625	10/10/2034	AT MATURITY	USD	10/10/2024	A	4.77	-
Commercial Bank of Dubai PSC	CBDUH	Financial Institutions	AE	500	4.864	10/10/2029	AT MATURITY	USD	10/10/2024	A-	4.93	-
DIB Tier 1 Sukuk 6 Ltd	DIBUH	Financial Institutions	AE	500	5.25	-	PERP/CALL	USD	10/16/2024	-	5.26	5.32
Sharjah Sukuk Program Ltd	SHARSK	Sovereign	AE	750	5.433	4/17/2035	AT MATURITY	USD	10/17/2024	BB+	5.49	-
National Bank of Kuwait/New York NY	NTBKKK	Financial Institutions	KW	263	5	1/17/2025	AT MATURITY	USD	10/17/2024	-	5.34	-
GFH Senior Sukuk Ltd	GFHSUK	Financial Institutions	BH	500	7.5	11/6/2029	AT MATURITY	USD	11/6/2024	-	8.32	-
CBB International Sukuk Programme Co	BHRAIN	Sovereign	BH	1250	5.875	6/5/2032	AT MATURITY	USD	12/5/2024	B+	5.89	-

*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

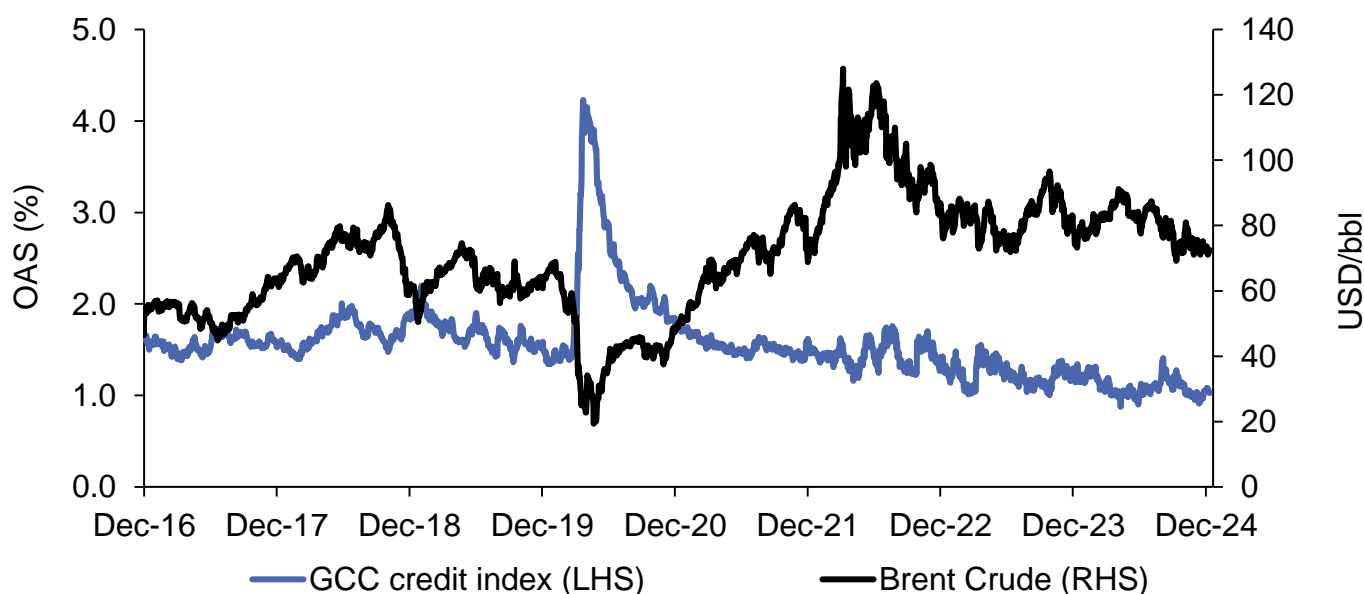
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

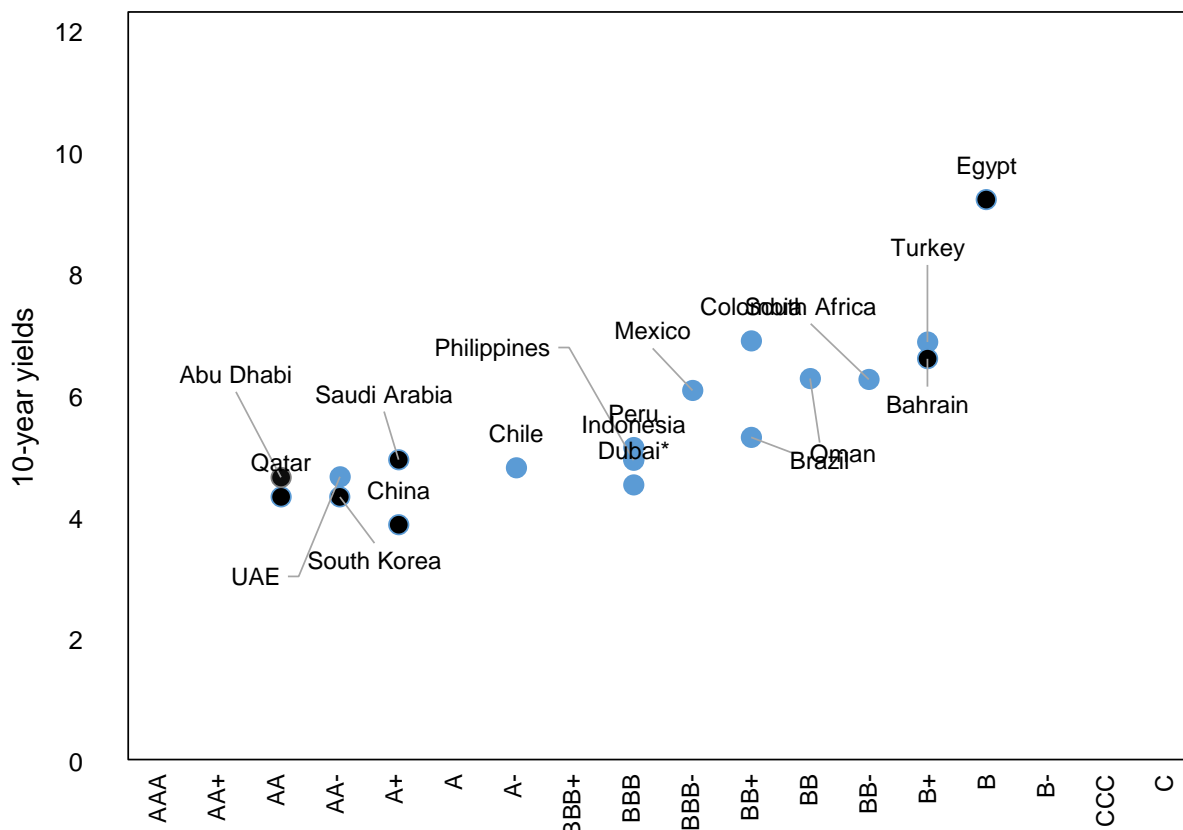
GCC corporate OAS spread versus Brent Crude



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

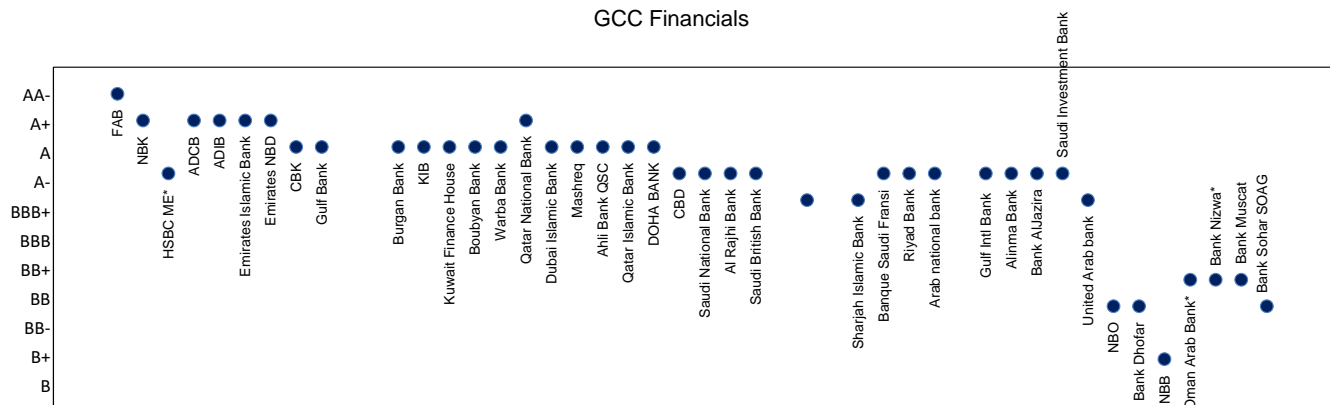
GCC Sovereign Rating

Country	Saudi Arabia	Abu Dhabi	Dubai*	Kuwait	Bahrain	Oman	Qatar	Egypt
Moody's	Aa3	Aa2	Baa2	A1	B2u	Ba1	Aa2	Caa1
Fitch	A+	AA	-	AA-	B+	BB+	AA	B

Note: *DEWA rated used as proxy for Dubai

GCC Financials Credit Rating

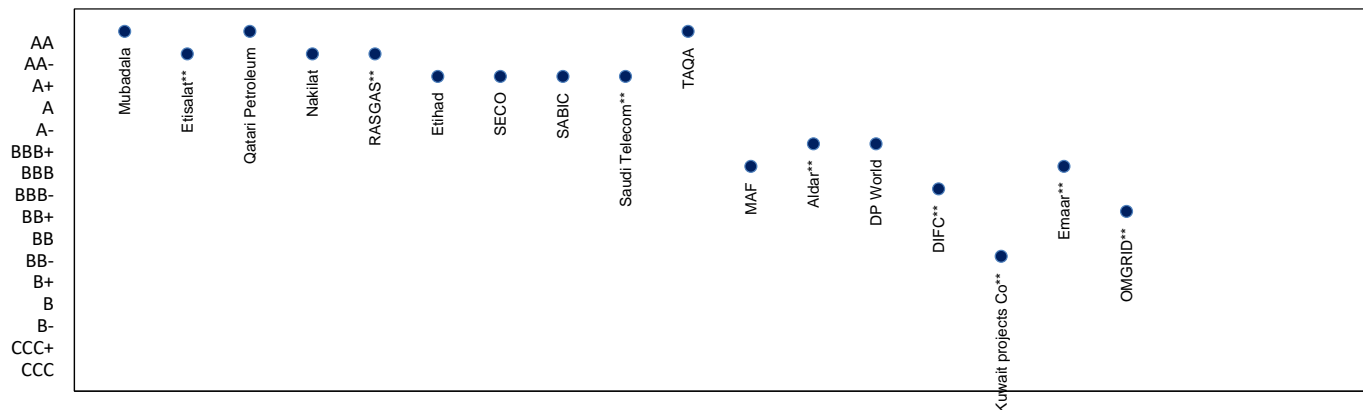
GCC Financials



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

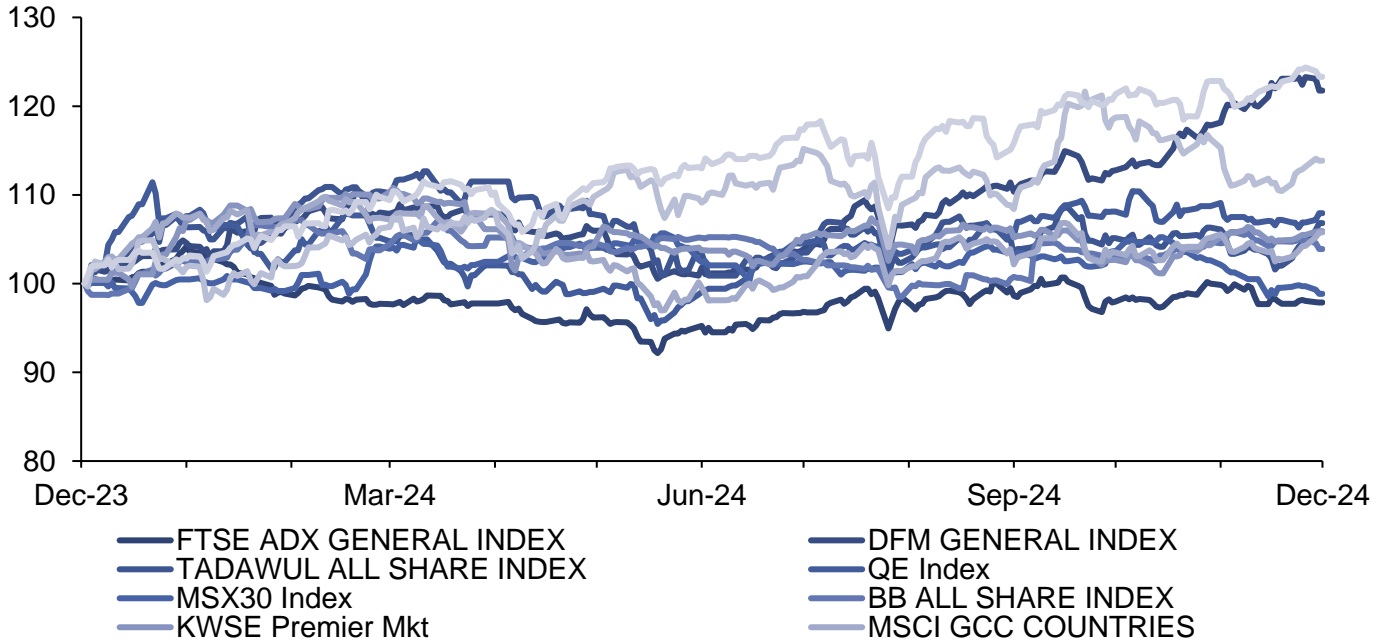
Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	15.0x	1.8%	2.2%
DFM	9.2x	-	5.0%
Tadawul	17.4x	21.6%	3.7%
DSM	11.6x	7.8%	4.1%
MSM30	9.5x	8.1%	5.9%
BHSE	7.7x	-	3.6%
KWSE	13.0x	2.0%	4.0%
MSCI GCC	14.4x	8.7%	3.8%
MSCI EM	13.9x	11.0%	2.5%
MSCI ACWI	20.8x	7.4%	1.8%

Notes: *data as of 11 December 2024

Source: Bloomberg, ADCB

GCC equity 1Y Performance

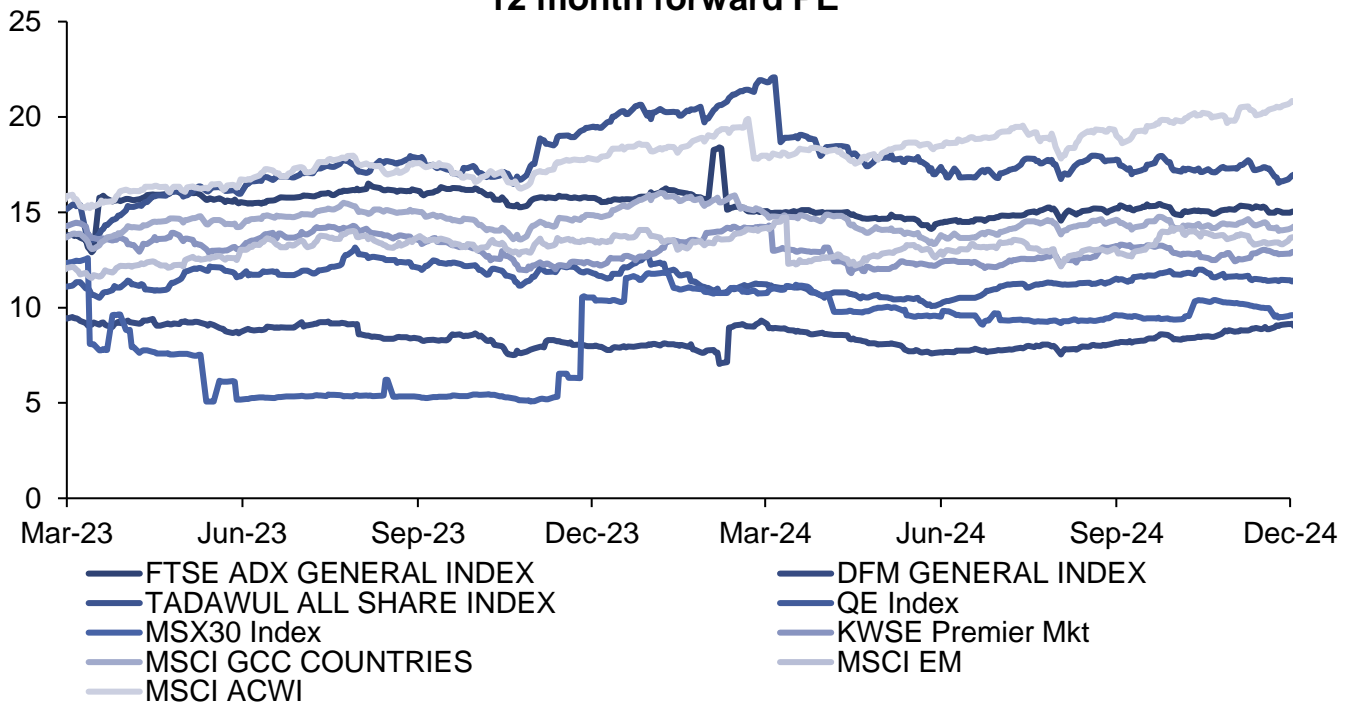
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

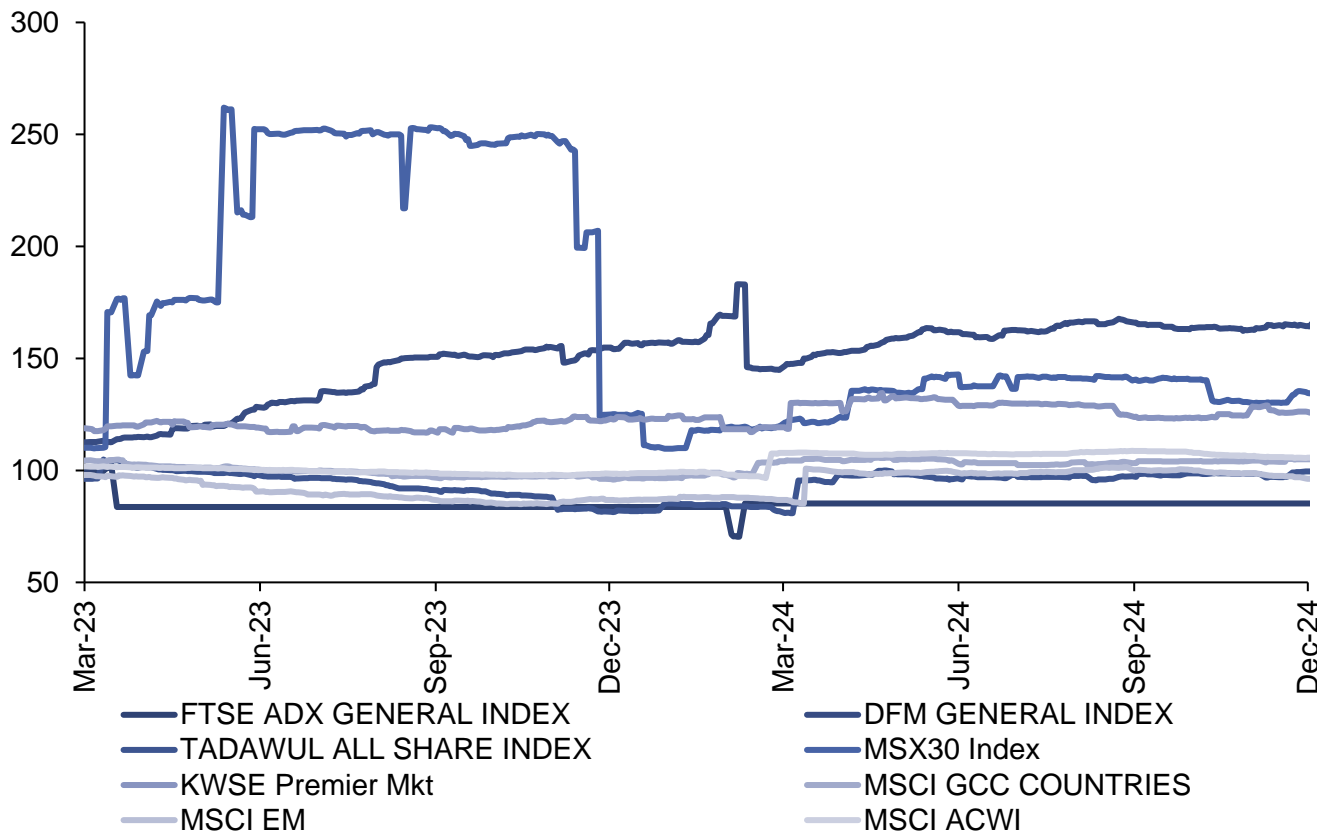
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

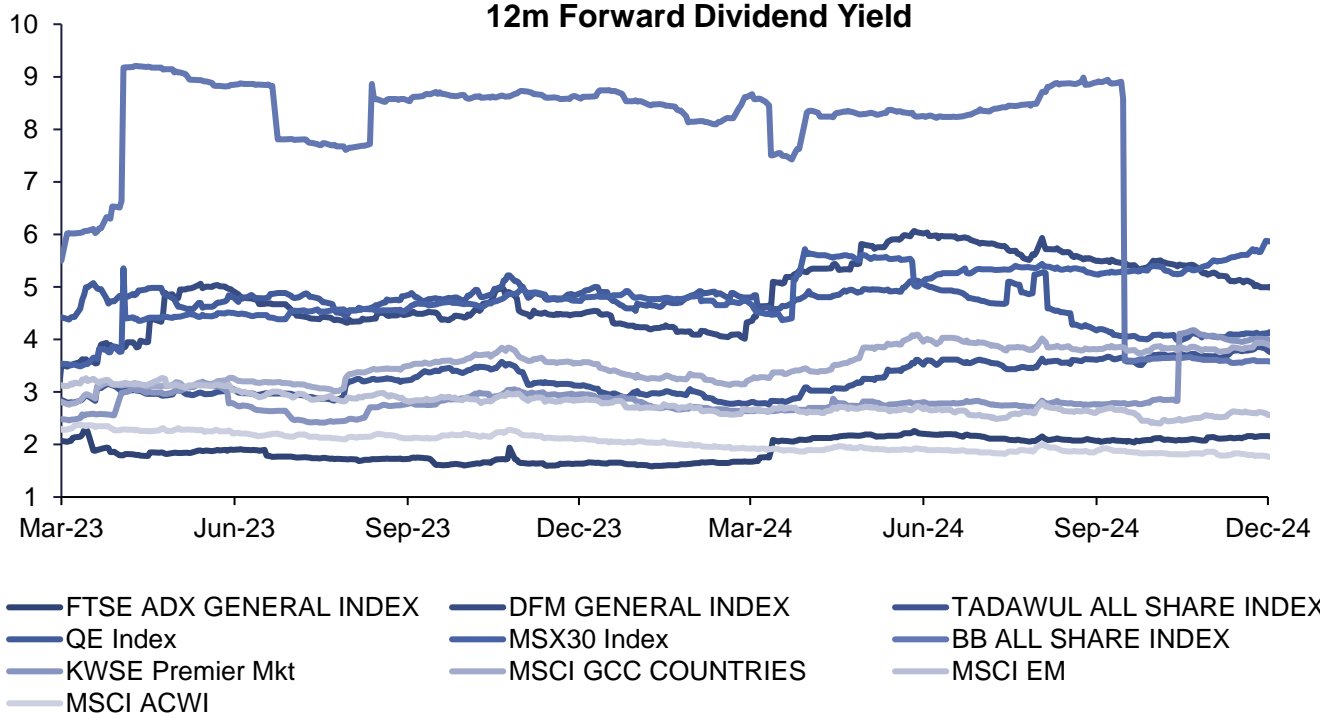
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

Disclaimer

ADCB Asset Management Limited ("AAML"), is a member of ADCB Group, licensed by Financial Services Regulatory Authority in Abu Dhabi Global Markets under financial services permission number 170036.

This publication is intended for general information purposes only. It should not be construed as an offer, recommendation or solicitation to purchase or dispose of any securities or to enter in any transaction or adopt any hedging, trading or investment strategy. Neither this publication nor anything contained herein shall form the basis of any contract or commitment whatsoever. Distribution of this publication does not oblige ADCB Group to enter into any transaction.

The content of this publication should not be considered as legal, regulatory, credit, tax or accounting advice. Anyone proposing to rely on or use the information contained in the publication should independently verify and check the accuracy, completeness, reliability and suitability of the information and should obtain independent and specific advice from appropriate professionals or experts regarding information contained in this publication. Investment products are not available to US persons.

Information and opinions contained herein is are based on various sources, including but not limited to public information, annual reports and statistical data that AAML considers accurate and reliable. However, AAML makes no representation or warranty as to the accuracy or completeness of any statement made in or in connection with this publication and accepts no responsibility whatsoever for any loss or damage caused by any act or omission taken as a result of the information contained in this publication. This publication is intended for customers who are either retail or professional investors.

Charts, graphs and related data or information provided in this publication are intended to serve for illustrative purposes only. The information contained in this publication is prepared as of a particular date and time and will not reflect subsequent changes in the market or changes in any other factors relevant to their determination. All statements as to future matters are not guaranteed to be accurate. AAML expressly disclaims any obligation to update or revise any forward looking statement to reflect new information, events or circumstances after the date of this publication or to reflect the occurrence of unanticipated events.

ADCB Group does and may at any time solicit or provide commercial banking, investment banking, credit, advisory or other services to the companies covered in its publications. As a result, recipients of this publication should be aware that any or all of foregoing services may at time give rise to a conflict of interest that could affect the objectivity of this publication. Opinions expressed herein may differ from opinions expressed by other businesses or affiliates of ADCB Group.

Past performance does not guarantee future results. Investment products are not bank deposits and are not guaranteed by ADCB Group. They are subject to investment risk, including possible of loss of principal amount invested. This publication may not be reproduced or circulated without ADCB Group written authority. The manner of circulation and distribution may be restricted by law or regulation in certain jurisdictions. Persons who come into possession of this document are required to inform themselves of, and to observe such restrictions. Any unauthorized use, duplication, or disclosure of this document is prohibited by law and may result in prosecution.