

## GCC market performance and activity summary

### GCC fixed income

Global benchmark bond index declined for the week ending 9th December. The Global Aggregate index declined (0.68%) and Global Treasuries also fell (0.37%). In credit, Global corporate IG index and Global HY index both posted declines last week. EM USD bonds posted negative declines over the week, led by EM LatAm (0.60%).

All GCC bond indices declined over the week. Qatar and Saudi Arabia underperformed the most, while Bahrain ended flat. 5Y sovereign CDS spreads ended mixed, widened across Dubai, Kuwait and Abu Dhabi markets, while it tightened in Bahrain, Oman, Qatar, and Saudi Arabia. In the USD sovereign market, the 10yr bond yields rose across all GCC markets.

### GCC equities

All GCC regional indices rose – Dubai, Kuwait, and Oman outperformed the most Overall, MSCI GCC posted gains, outperformed both MSCI EM and MSCI ACWI.

### GCC key macro developments

- ▶ GCC central banks cut rates by 25bp after Fed move
- ▶ Saudi Arabia's Industrial Production Index rose 8.9% in October 2025 - GASTAT
- ▶ Saudi Arabia's GDP rises 4.8% in Q3 2025 – GASTAT.
- ▶ UAE non-oil private sector activity expanded in November – PMI.
- ▶ Oman's Inflation edges higher in Oman – NCSI.
- ▶ Fitch upgraded Oman's credit rating from (BB+) to (BBB-) – Fitch.
- ▶ Qatar expected a budget deficit of USD6bn in 2026.

### GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
Fixed Income				3M interbank			
Global Agg	497.1	-0.60	7.49	Saudi	4.92	6.74	-49.94
Global Treasuries	206.7	-0.68	6.23	UAE	3.71	-0.47	-73.51
EM USD Agg TR	1376.9	-0.37	10.23	Kuwait	3.81	0.00	-12.50
EM LatAm TR	1266.6	-0.60	11.81	Bahrain	5.17	-0.15	-51.70
EM EMEA TR	406.8	-0.24	10.37	Oman	4.50	10.00	-41.95
EM Asia TR	701.1	-0.27	7.98	Qatar	4.10	1.25	-55.00
Bahrain TR	222.9	-0.03	9.65	US SOFR	3.95	0.00	-45.00
Oman TR	173.1	-0.04	10.66	5Y Sov. CDS			
Kuwait TR	167.4	-0.04	6.73	Saudi Arabia	67.58	-0.54	-2.78
Qatar TR	148.8	-0.26	8.15	Abu Dhabi	29.36	0.09	14.55
Saudi Arabia TR	153.6	-0.24	8.85	Dubai	56.18	1.04	6.55
UAE TR	154.8	-0.18	8.55	Kuwait	57.05	0.4	-17.8
Equity				Bahrain	185.59	-6.15	2.68
ADX	9989.2	1.19	7.16	Oman	71.57	-0.68	30.69
DFM	6045.0	2.34	17.30	Qatar	28.69	-0.56	15.35
Tadawul	10699.8	1.18	-11.59	10Y yield			
DSM	10777.4	0.50	1.95	Saudi Arabia	4.69	11.90	-70.80
MSM30	5961.5	2.14	30.35	Abu Dhabi	4.27	2.90	-75.00
BHSE	2049.9	0.11	3.57	Dubai	3.98	4.00	-85.30
KWSE	9645.3	2.34	23.05	Bahrain	6.25	3.00	-71.60
MSCI GCC	740.2	1.78	1.93	Oman	4.73	3.50	-100.20
MSCI EM	1378.9	0.44	28.75	Qatar	4.24	3.80	-59.80
MSCI ACWI	1006.4	0.00	19.82				

Note: data from 3<sup>rd</sup> December 2025 to 9<sup>th</sup> December 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

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## Key developments

### ▶ **GCC central banks cut rates by 25bp after Fed move**

GCC central banks cut key interest rates by 25bp, mirroring a move by the US Federal Reserve to reduce rates by a quarter of a percentage point in another divided vote. GCC central banks generally follow the Fed's lead on interest rate moves as most regional currencies are pegged to the dollar. Only the Kuwaiti dinar is pegged to a basket of currencies, which includes the dollar. Saudi Arabia, cut its repurchase agreement (repo) rate by 25bp to 4.25% and its reverse repo rate to 3.75%. United Arab Emirates' central bank reduced the base rate applied to its overnight deposit facility to 3.65%, effective Thursday. The central banks of Qatar, Bahrain, Kuwait and Oman also reduced key rates by 2bp (*Source: Zawya*).

### ▶ **Saudi Arabia's Industrial Production Index rose 8.9% in October 2025 - GASTAT**

According to the General Authority for Statistics (GASTAT), Saudi Arabia's Industrial Production Index recorded an increase of 8.9% during October 2025. This rise was mainly driven by an increase in mining and quarrying activity, manufacturing activity, electricity, gas, steam and air conditioning supply activity, water supply activity, and sewerage, waste management and remediation activities. (*Source: Zawya*).

### ▶ **Saudi Arabia's GDP rises 4.8% in Q3 2025 - GASTAT**

According to the General Authority for Statistics (GASTAT), Saudi Arabia's real GDP grew by 4.8% in Q3 of 2025. All economic activities recorded YoY growth, with oil activities rising by 8.3%, non-oil activities by 4.3%, and government activities by 1.4%. (*Source: Zawya*)

### ▶ **UAE non-oil private sector activity expanded in November – PMI**

The UAE's non-oil private sector activity expanded at its fastest pace in 11 months in November on the back of robust market conditions that boosted new business. The UAE Purchasing Managers' Index (PMI) rose from 53.8 in October to 54.8 in November, marking a nine-month high. In Dubai, PMI held steady at 54.5 in November, on higher sales intakes and improved operating conditions. Hiring increased midway through the fourth quarter and was the fastest recorded in 18 months. (*Source: Zawya*).

### ▶ **Oman's Inflation edges higher in Oman - NCSI**

Oman's general consumer price index (CPI) rose by 1.5% in October 2025. The average inflation rate for the January–October period of 2025 also climbed by 0.9%, reflecting modest but broad-based price pressures across the economy. Miscellaneous personal goods and services recorded the strongest increase, with average inflation of 6.6% during the first ten months of 2025. This category also led monthly movements, rising by 8.8% in October. Transport prices increased by 3.9 per cent, followed by restaurants and hotels at 2.6%, furniture, household equipment and maintenance at 2.5% and education services at 2.2%. Food and non-alcoholic beverage prices edged up slightly by 0.4%, while clothing and footwear and health costs each rose by a marginal 0.1%. In contrast, prices in the culture and entertainment category declined by 0.3%. Housing, water, electricity, gas and other fuels, along with communications and tobacco, remained unchanged during the period, according to National Centre for Statistics and Information. (*Source: Zawya*).

### ▶ **Fitch upgraded Oman's credit rating from (BB+) to (BBB-) - Fitch**

Fitch Ratings has upgraded Oman's credit rating from BB+ to BBB- with a stable outlook. Fitch attributed the upgrade to the sustained improvement in the Oman's public finance indicators, stronger external financial position, and increased confidence in Oman's ability to maintain prudent fiscal policies that enable it to navigate oil price fluctuations while keeping the budget deficit moderate and public debt levels stable. Fitch also noted that Oman has succeeded in entrenching fiscal discipline, having significantly reduced public debt to about 36% of GDP in 2025. (*Source: Zawya*).

# GCC Weekly Market View

Investment Strategy | December 11, 2025

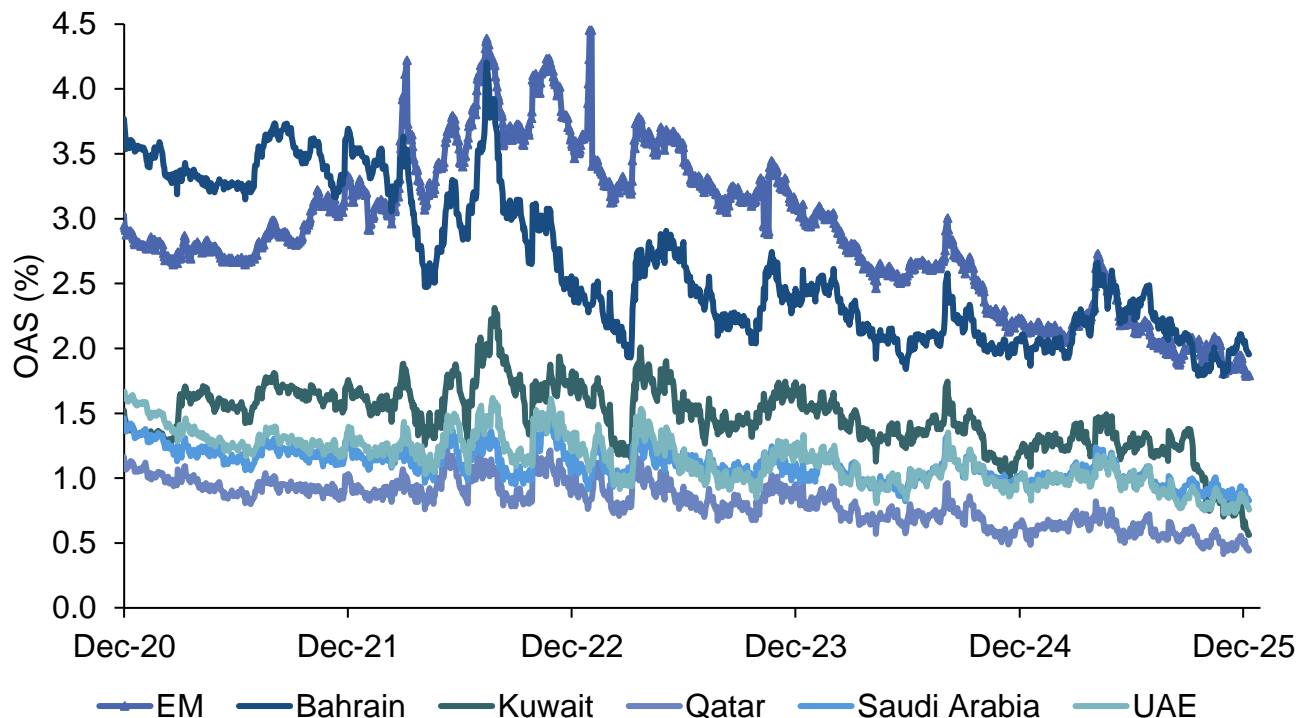
## GCC bond issuances

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg <sup>^</sup>	YTM (mid)	YTC (mid)
Qatar Government International Bond	QATAR	Sovereign	QA	1000	3.625	11/10/2028	AT MATURITY	USD	11/10/2025	AA	3.83	-
Global Sukuk Ventures	QATAR	Sovereign	QA	3000	4.25	11/10/2035	AT MATURITY	USD	11/10/2025	AA	4.32	-
National Bank of Kuwait SAKP	NTBKKK	Financial Institutions	KW	300	5.25	2/10/2036	CALLABLE	USD	11/10/2025	A-	5.23	5.23
Alinma Sukuk Ltd	ALINMA	Financial Institutions	SA	500	5.792	11/10/2035	CALLABLE	USD	11/10/2025	BBB	5.81	5.80
Avilease Capital Ltd	AVILES	Agency	SA	850	4.75	11/12/2030	CALLABLE	USD	11/12/2025	-	4.89	4.89
SIB Sukuk Co III Ltd	SIB	Financial Institutions	AE	500	4.6	11/12/2030	AT MATURITY	USD	11/12/2025	-	4.65	-
Gulf International Bank Saudi Arabia	GULFSA	Financial Institutions	SA	500	6.625		PERP/CALL	USD	11/12/2025	-	6.59	6.71
Ittihad International II Ltd	ITTHAD	Financial Institutions	AE	550	7.375	11/13/2030	CALLABLE	USD	11/13/2025	-	7.14	8.59
QIIB Senior Oryx Ltd	QIIKQD	Financial Institutions	QA	500	4.5	11/13/2030	AT MATURITY	USD	11/13/2025	A	4.50	-
Al Rajhi Sukuk Ltd	RJHIAB	Financial Institutions	SA	250	4.2	11/17/2026	AT MATURITY	USD	11/17/2025	-	4.34	-
BOS Funding Ltd	BOSUH	Financial Institutions	AE	500	4.875	11/19/2030	AT MATURITY	USD	11/19/2025	BBB+	5.18	-
DIB Sukuk Ltd	DIBUH	Financial Institutions	AE	1000	4.572	11/19/2030	AT MATURITY	USD	11/19/2025	A	4.60	-
National Bank of Oman SAOG	NBOBOM	Financial Institutions	OM	450	6.625	-	PERP/CALL	USD	11/19/2025	-	6.61	6.60
MAF Global Securities Ltd	MAFUAE	Financial Institutions	AE	500	5.7477	-	PERP/CALL	USD	11/20/2025	BB+	5.99	5.91
KFH Tier 1 Sukuk 2 Ltd	KFHKK	Financial Institutions	KW	850	6.25	-	PERP/CALL	USD	11/20/2025	-	6.11	6.25
Sharjah Sukuk Program Ltd	SHARSK	Sovereign	AE	750	5.192	5/25/2036	AT MATURITY	USD	11/25/2025	-	5.24	-
QNB Finance Ltd	QNBK	Agency	QA	500	4.6763 271	11/25/2028	AT MATURITY	USD	11/26/2025	-	4.70	-
First Abu Dhabi Bank PJSC	FABUH	Agency	AE	1000	5.875	-	PERP/CALL	USD	11/28/2025	-	5.80	5.71
SNB Sukuk Ltd	SNBAB	Financial Institutions	SA	250	5.938	7/18/2036	CALLABLE	USD	12/1/2025	-	5.51	5.54
Arabian Centres Sukuk IV Ltd	ARACEN	Financial Institutions	SA	500	8.875	12/4/2030	CALLABLE	USD	12/4/2025	BB	9.23	11.7
Banque Saudi Fransi	BSFR	Financial Institutions	SA	300	0	12/3/2026	AT MATURITY	USD	12/5/2025	-	3.62	-
Saudi National Bank/The	SNBAB	Financial Institutions	SA	250	6.2	-	PERP/CALL	USD	12/9/2025	-	6.30	6.18

\*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

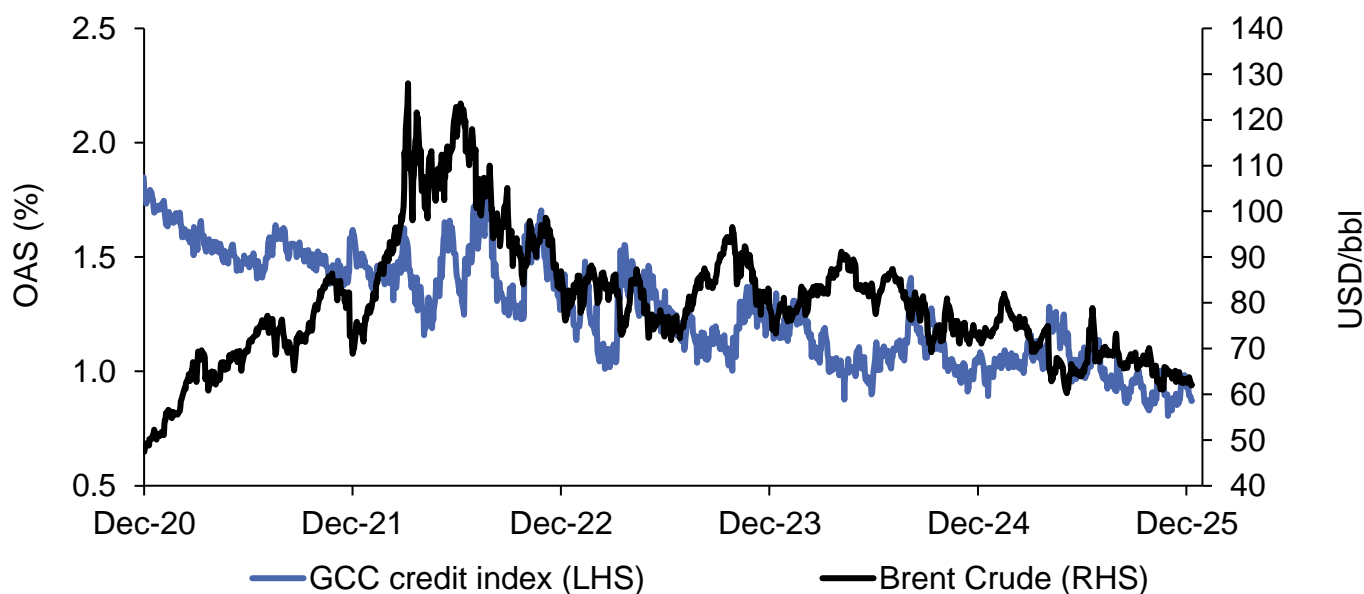
## Appendix

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



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

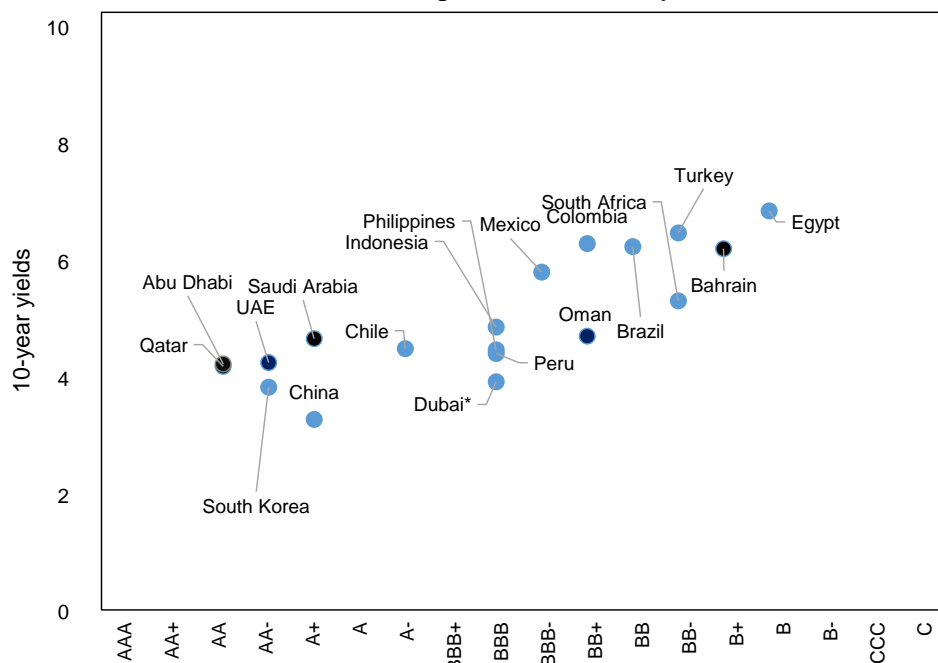
### GCC corporate OAS spread versus Brent Crude



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+	BBB-	AA	B

Note: \*DEWA rated used as proxy for Dubai

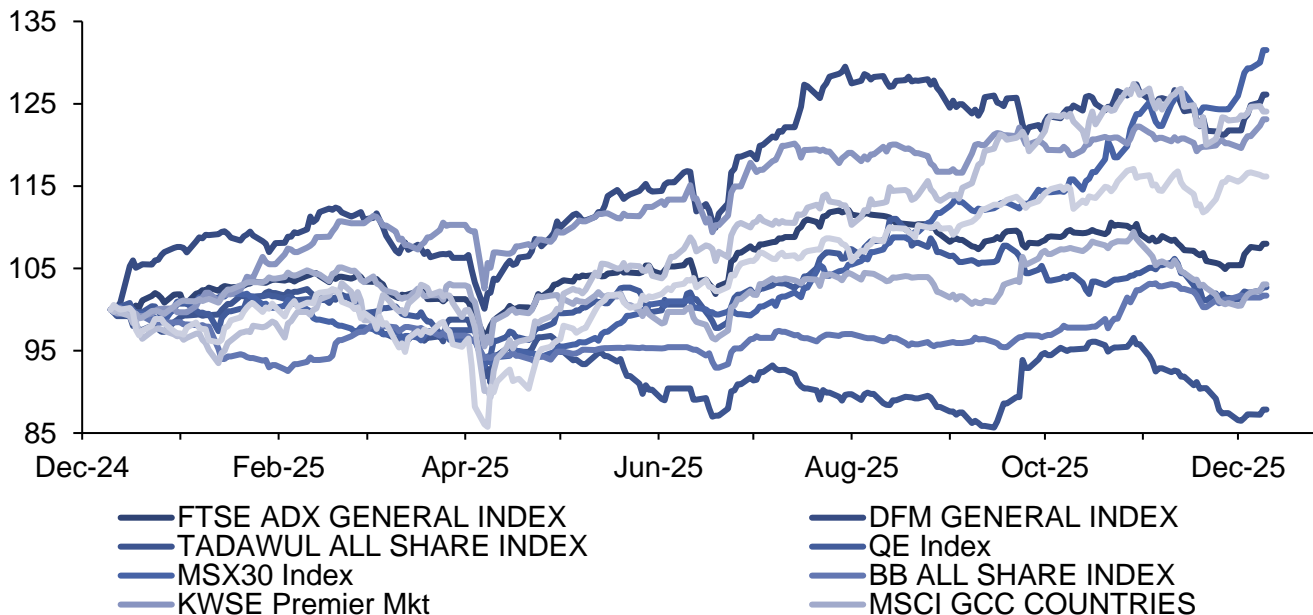
## GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	12.1x	33.6%	2.4%
DFM	11.4x	-	4.7%
Tadawul	15.9x	5.4%	3.7%
DSM	12.1x	-2.3%	4.7%
MSM30	11.1x	-	5.1%
BHSE	13.7x	-	9.3%
KWSE	19.0x	-15.8%	3.3%
MSCI GCC	13.2x	11.9%	4.0%
MSCI EM	15.7x	9.7%	2.3%
MSCI ACWI	21.7x	10.8%	1.7%

Notes: \*data as of 11 December 2025 | Source: Bloomberg, ADCB

## GCC equity 1Y Performance

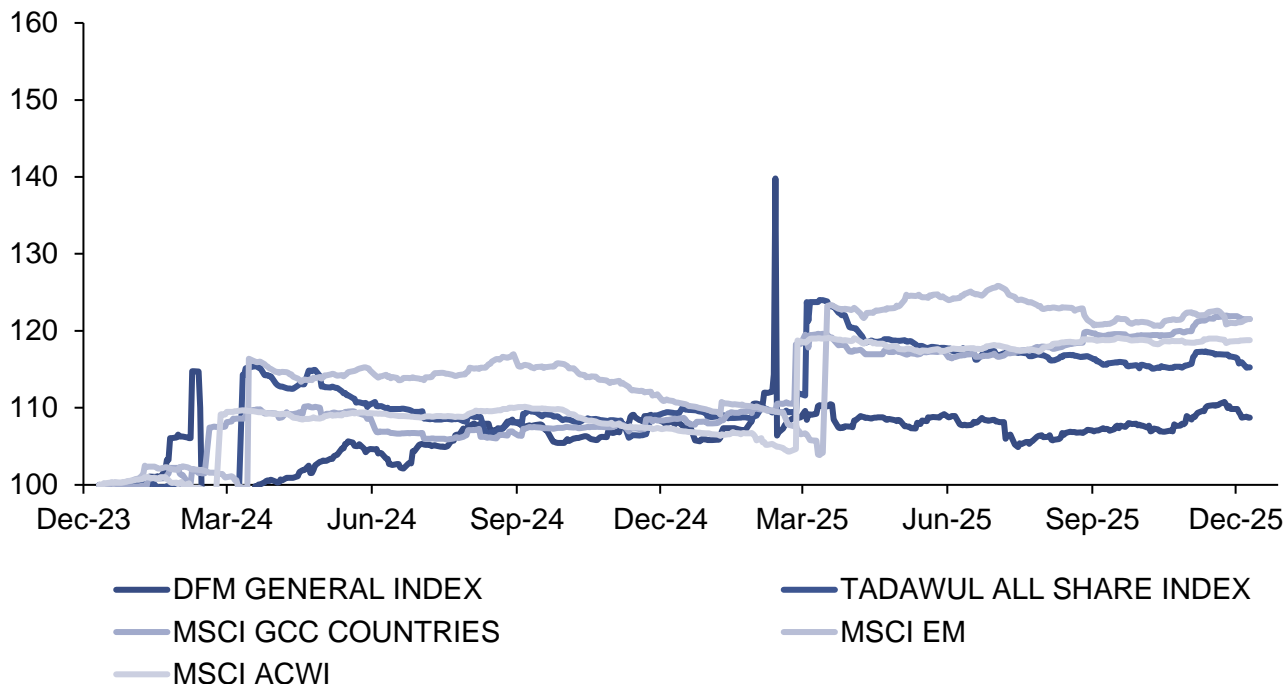
### 1Y performance



Source: Bloomberg, ADCB

## GCC equity 12m forward PE

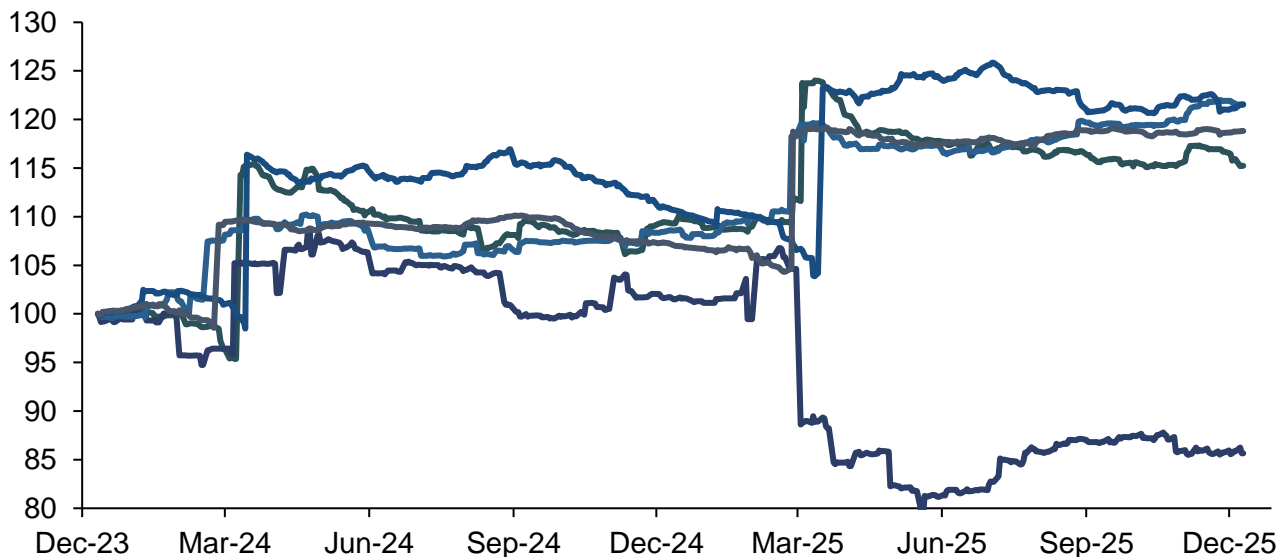
### 12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

## GCC equity 12m forward EPS

12 month forward EPS (indexed to 100 at start)

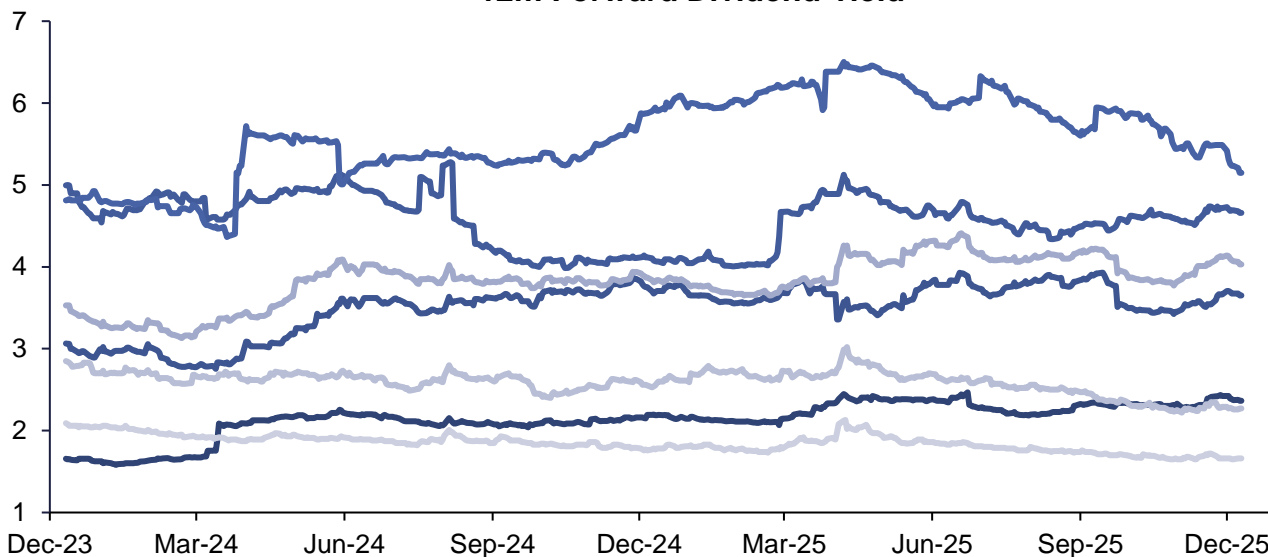


- TADAWUL ALL SHARE INDEX
- MSCI GCC COUNTRIES
- MSCI ACWI
- KWSE Premier Mkt
- MSCI EM

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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