

GCC market performance

GCC fixed Income:

Global benchmark bond index declined over the week (ending 13th February 2024). 10Y UST yields rose after January CPI data came stronger than expected. In credit, Global corporate IG and HY ended the week on a negative note. EM had a negative week too, registering declines over the week, led by EM LatAm. All GCC markets recorded negative returns. Saudi Arabia underperformed the most. 5yr CDS spreads widened across all GCC countries. In the USD sovereign market, the 10yr bond yields rose across the GCC countries with the exception of Dubai.

GCC equities:

GCC equities mostly posted strong gains outperforming MSCI EM and MSCI ACWI which posted losses. Tadawul outperformed the most while ADX ended unchanged.

GCC key developments:

- Dubai's non-oil businesses expanded in January.
- Commercial Bank of Dubai (CBD) net profit soars 45.2% in 2023.
- Emirates Investment Bank 2023 net profit reached AED107.5mn.
- Riyadh Bank reported a net profit of SAR8.05bn in 2023.
- Kuwait's Gulf Bank posted a net profit of KWD71.2mn in 2023.
- Al-Dar properties 2023 net profit grew 40% y-o-y.
- Emaar's 2023 net profit up by 74%.
- Dubai's DEWA Q4 profit rose 15% y-o-y.
- Dubai's toll operator Salik's posted a net profit of AED1.09bn in 2023.
- Burjeel Holdings posted net profit reached AED540.41mn in 2023.
- Du posted a 6.9% growth in 2023.

GCC bond issuances:

- Nama Electricity Distribution launched USD500mn Sukuk.

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

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0) 281 264 57

kishore.muktinutalapati@adcb.com

Nura Al Suwaidi

Analyst

Tel: +971 (0) 281 255 13

Nura.Alsuwaidi@adcb.com

Ahmed Al Falahi

Analyst

Tel: +971 (0) 281 264 98

ahmed.a5@adcb.com

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GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
Fixed Income				3M interbank			
Global Agg	455.1	-1.1	-2.4	Saudi	6.2	-10.0	-4.0
Global Treasuries	194.2	-1.08	-2.9	UAE	5.4	-0.99	-7.0
EM USD Agg TR	1154.5	-0.62	-0.5	Kuwait	4.3	-6.25	-6.3
EM LatAm TR	1006.2	-0.91	-0.5	Bahrain	6.4	-2.18	-13.6
EM EMEA TR	345.4	-0.42	-0.5	Oman	6.0	-	-2.6
EM Asia TR	614.6	-0.59	-0.6	Qatar	6.0	0.00	-12.5
Bahrain TR	189.5	-0.24	-0.1	US SOFR	5.3	0.00	-8.0
Oman TR	148.3	-0.31	-0.8	5Y Sov. CDS			
Kuwait TR	148.3	-0.08	0.0	Saudi Arabia	54.16	0.70	0.5
Qatar TR	132.8	-0.42	-1.2	Abu Dhabi	40.54	-0.2	-3.1
Saudi Arabia TR	135.8	-0.69	-1.9	Dubai	66.58	0.5	-0.7
UAE TR	137.2	-0.35	-0.8	Kuwait	61.56	-0.5	6.5
Equity				Bahrain	211.55	-1.0	-0.5
ADX	9351.2	0.0	-3.7	Oman	114.65	-0.3	-7.4
DFM	4219.3	1.38	3.5	Qatar	42.61	-1.1	-3.7
Tadawul	12404.6	1.96	4.0	10Y yield			
DSM	10093.2	1.03	-2.8	Saudi Arabia	5.1	13.6	43.2
MSM30	4589.8	0.95	0.2	Abu Dhabi	4.6	14.40	32.8
BHSE	2079.1	0.76	5.9	Dubai	4.5	-3.70	-18.5
KWSE	8069.0	1.35	5.8	Kuwait	4.5	8.90	23.7
MSCI GCC	733.5	1.56	2.7	Bahrain	6.9	7.10	19.7
MSCI EM	996.8	-0.58	-0.6	Oman	5.8	10.30	30.7
MSCI ACWI	739.6	-0.74	3.5	Qatar	4.6	13.90	35.2

Note: data from 7th January 2024 to 13th February 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management

Dubai's non-oil businesses expanded in January

Business activity in Dubai's non-oil private sector economy continued to grow throughout January. The Purchasing Managers' Index (PMI) dropped from 57.7 in December to 56.6 in January, marking its lowest point since September of the previous year. Despite this decline, the index remains two points above the long-term average of 54.6, indicating a significant enhancement in operating conditions.

(Source: Zawya)

Commercial Bank of Dubai (CBD) net profit soars 45.2% y-o-y in 2023

The Commercial Bank of Dubai (CBD) posted a net profit of AED2.65bn for the year 2023, marking a substantial 45.2% year-on-year increase. This growth in net profit was primarily driven by contributions from revenue, including net interest and other operating income, supported by robust loan expansion.

(Source: Khaleej times)

Emirates Investment Bank 2023 net profit reached AED107.5mn

Emirates Investment Bank (EIB) has swung to a net profit after incurring losses in 2022. Emirates Investment Bank total net profit for 2023 reached AED107.5mn (USD29.3mn) versus AED 23.6mn in 2022. However; earnings per share stood at AED14.62.

(Source: khaleejtimes)

Riyad Bank reported a net profit of SAR8.05bn in 2023

Riyad Bank posted a net profit of SAR8.05bn in 2023, up 15%, compared to 2022. Riyad Bank recommended a dividend payout of SAR2.24bn (USD597.32mn) for H2 of 2023. The dividend stood at SAR 0.75 per share.

(Source: Zawya)

Kuwait's Gulf Bank posted a net profit of KWD71.2mn in 2023

Kuwait's Gulf Bank posted a net profit of KWD71.2mn in 2023, up by 15% y-o-y. The bank recommended a cash dividend of 12 fils per share, representing a 57% cash payout ratio, and 5% bonus shares.

(Source: Zawya)

Al-Dar properties 2023 net profit grew 40% y-o-y

Aldar Properties 2023 net profit grew 40% y-o-y to AED4.4bn, revenue growth was driven by latest acquisitions, active asset management, and strong operational performance. Aldar recommended a dividend payout of AED0.17 per share.

(Source: Gulf business)

Emaar's 2023 net profit up by 74%

Emaar Properties, posted a significant growth in net profit for 2023, supported by high influx of tourists to the UAE, as well as strong retail and property sales. Emaar recorded a 74% rise in 2023 net profit.

(Source: Zawya)

Dubai's DEWA Q4 profit rose 15% y-o-y

Dubai Electricity and Water Authority (DEWA) posted a Q4 2023 net profit of AED1.8bn (USD490mn), up 15% y-o-y on the back of record revenues. For the financial year, DEWA made AED7.9bn. However, as per DEWA's dividend policy, it is set to pay a dividend of AED3.1bn for H2 2023 in April, subject to approval by shareholders at the general assembly.

(Source: Zawya)

Dubai's toll operator Salik's posted a net profit of AED1.09bn in 2023

Dubai's toll operator Salik has posted a full year 2023 net profit of AED1.09bn (USD297mn), 17% y-o-y. Revenue increased 11% y-o-y to AED2.11bn as toll usage increased amid a growth in traffic. The number of revenue generating trips through the Salik gates across the emirate rose 12% y-o-y to 461mn.

(Source: Zawya)

Burjeel Holdings posted AED540.41mn for its 2023 net profit

Burjeel Holdings posted higher net income at AED540.41mn in 2023, compared to AED354.57mn in 2022. Furthermore, the earnings per share (EPS) amounted to AED0.10 in 2023, versus AED 0.06 a year earlier.

(Source: Zawya)

Du posted a 6.9% growth in 2023

Du posted 6.9% growth in 2023 revenue to AED13.64bn on higher demand for mobile services and growth in postpaid and fixed services. Du proposed increasing dividend to 34 fils per share.

(Source: Zawya)

Abu Dhabi's IHC 2023 net profit increased to AED32.7bn

International Holding Company (IHC) posted a slight increase in its net profit for 2023, as strong performance across business units drove revenue. 2023 net profit climbed to Dh32.7bn (USD8.9bn) from Dh32.5bn recorded in 2022.

(Source: Zawya)

Nama Electricity Distribution launched USD500mn sukuk

Nama Electricity Distribution Company SAOC (NEDC) has successfully issued a USD500mn 5-year sukuk at a profit rate of 5.5%. The transaction garnered a 4x oversubscribed book. NEDC is rated BB+ stable by Fitch.

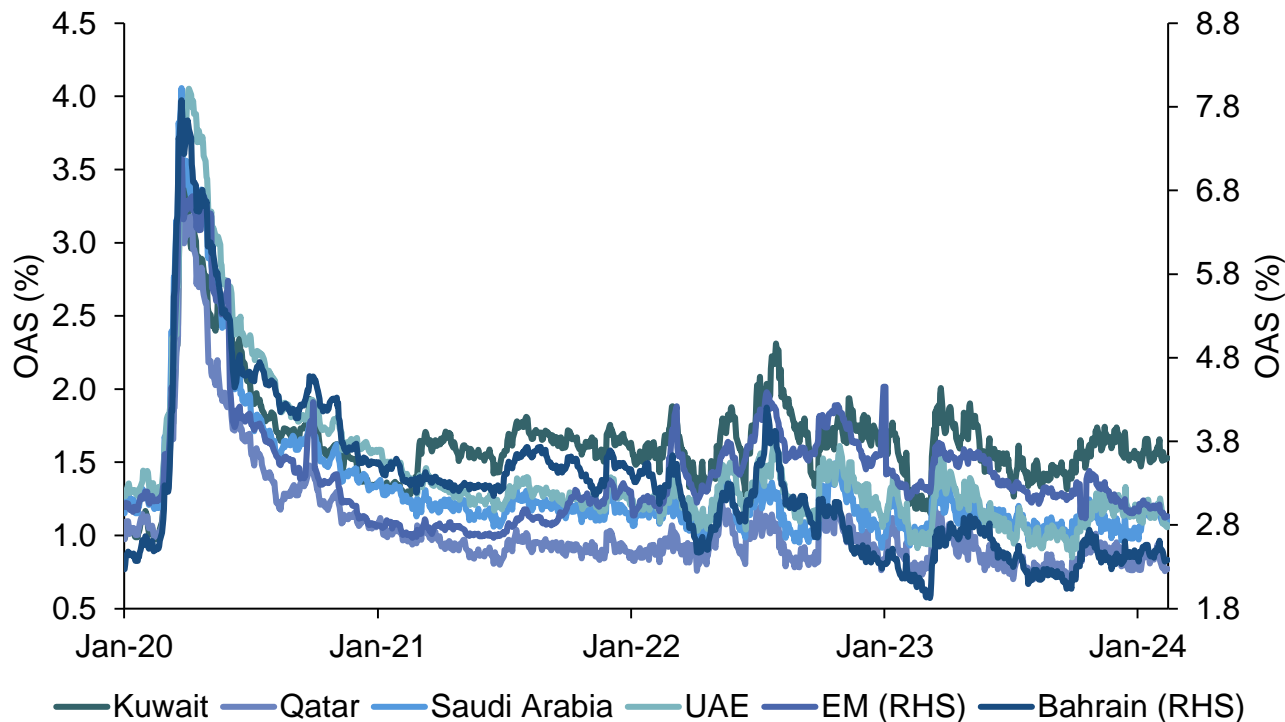
(Source: Zawya)

Issuer	BBG	Sector	Cou ntry	Issue Amt*	Cpn	Maturity	Maturity Type	Curr ency	Issue Date	Rtg^	YTM (mid)	YT C
Saudi Government International Bond	KSA	Sovereign	SA	4750	5.75	1/16/2054	AT MATURITY	USD	1/16/2024	A+	5.84	-
Saudi Government International Bond	KSA	Sovereign	SA	4000	5	1/16/2034	AT MATURITY	USD	1/16/2024	A+	5.06	-
Saudi Government International Bond	KSA	Sovereign	SA	3250	4.75	1/16/2030	AT MATURITY	USD	1/16/2024	A+	4.83	-
KFH SUKUK CO	KFHKK	Financial Institutions	KY	1000	5.011	1/17/2029	AT MATURITY	USD	10/1/2024	A	5.02	-
FAB SUKUK COMPANY LTD	FABUH	Financial Institutions	AE	800	4.779	1/23/2029	AT MATURITY	USD	1/8/2024	AA-	4.71	-
Omantel	OTELOM	Sovereign	OM	500	5.375	01/24/2031	AT MATURITY	USD	01/17/2024	BB+	5.523	-
Qatar QIIB	QNBQD	Financial Institutions	QD	1000	4.875	01/30/2029	AT MATURITY	USD	01/23/2024	A	5.028	-
BSF Sukuk Ltd	BSFR	Financial Institutions	SA	700	5	01/25/2029	AT MATURITY	USD	1/25/2024	A-	5.10	-
Emirates NBD Bank PJSC	EBIUH	Agency	AE	600	6.745	1/31/2029	AT MATURITY	USD	1/31/2024	A+	6.69	-
Bahrain Government International Bond	BHRAIN	Sovereign	BH	1000	7.5	2/12/2036	AT MATURITY	USD	2/12/2024	B+	7.43	-
CBB International Sukuk Programme Co	BHRAIN	Sovereign	BH	1000	6	2/12/2031	AT MATURITY	USD	2/12/2024	B+	6.04	-
Saudi Electricity Sukuk Programme Co	SECO	Agency	SA	1400	5.194	2/13/2034	AT MATURITY	USD	2/13/2024	A	5.24	-
Saudi Electricity Sukuk Programme Co	SECO	Agency	SA	800	4.942	2/13/2029	AT MATURITY	USD	2/13/2024	A	5.00	-
Esic Sukuk Ltd	ESICSU	Financial Institutions	AE	700	5.831	2/14/2029	AT MATURITY	USD	2/14/2024	BBB-	5.89	-
Mazoon Assets Co SAOC	MAZOO N	Agency	OM	500	5.5	2/14/2029	AT MATURITY	USD	2/14/2024	BB+	5.66	-

*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

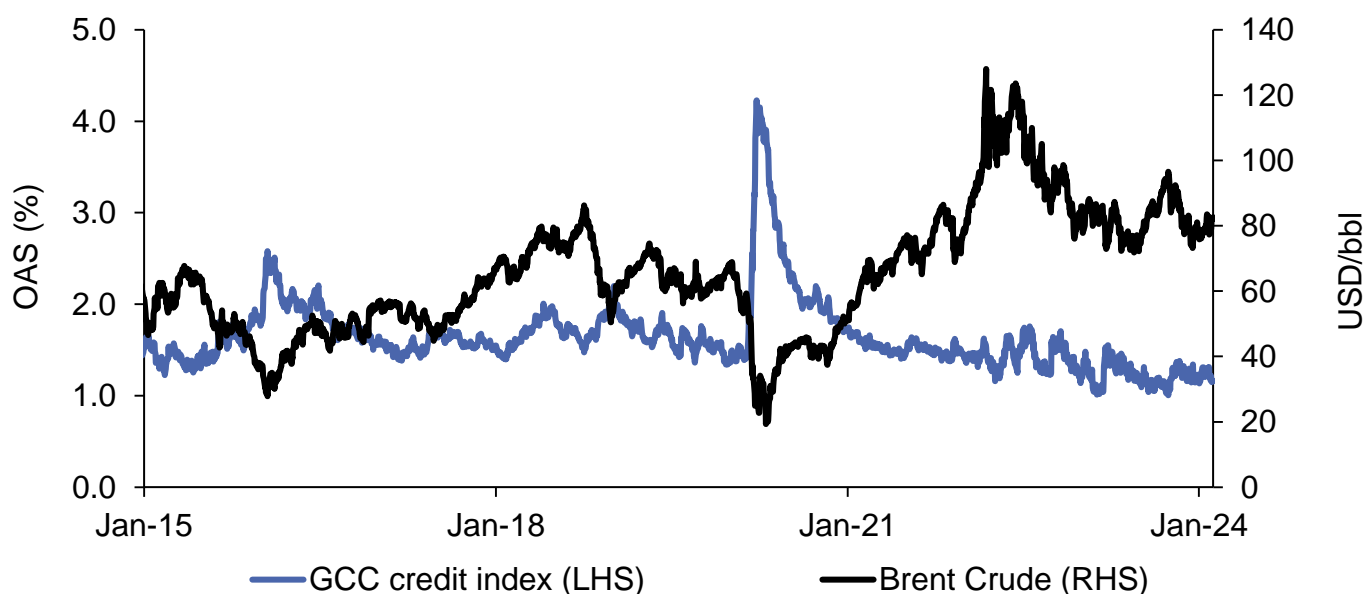
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

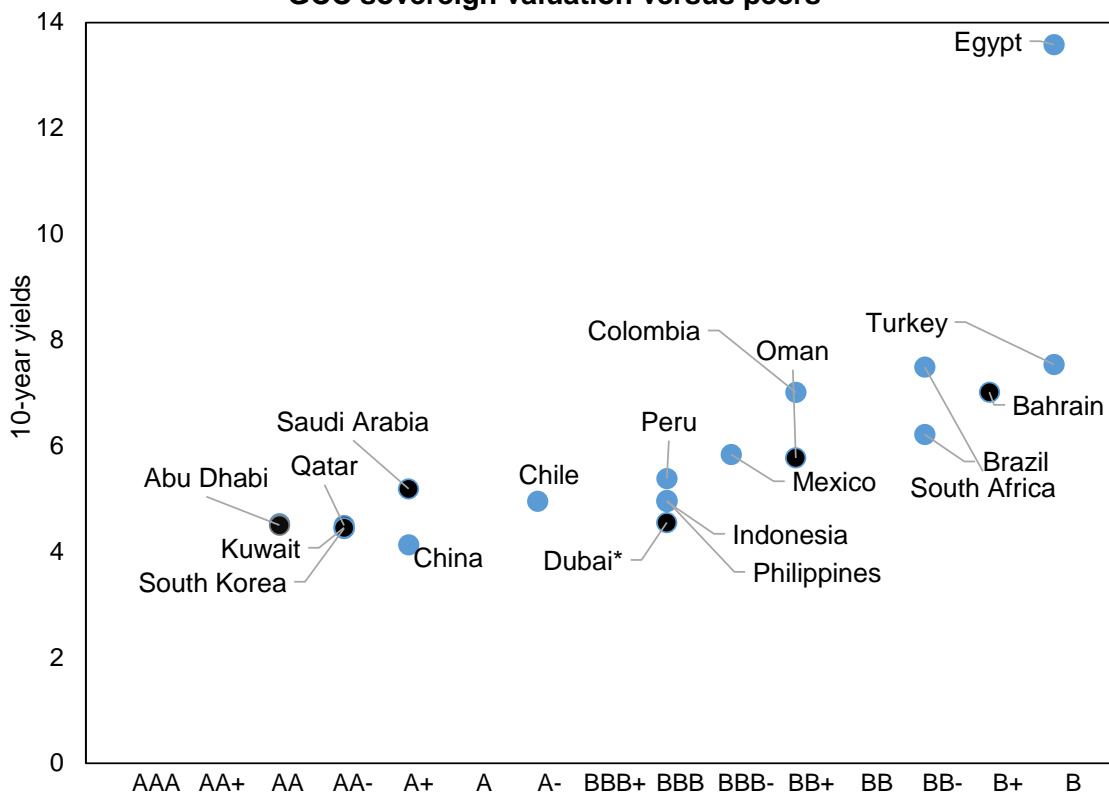
GCC corporate OAS spread versus Brent Crude



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

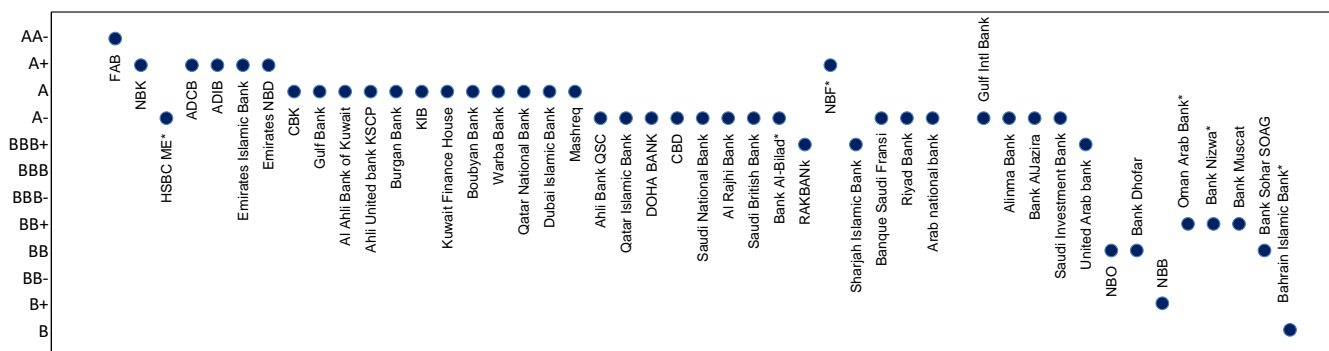
GCC Sovereign Rating

Country	Saudi Arabia	Abu Dhabi	Dubai*	Kuwait	Bahrain	Oman	Qatar	Egypt
Moody's	A1	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

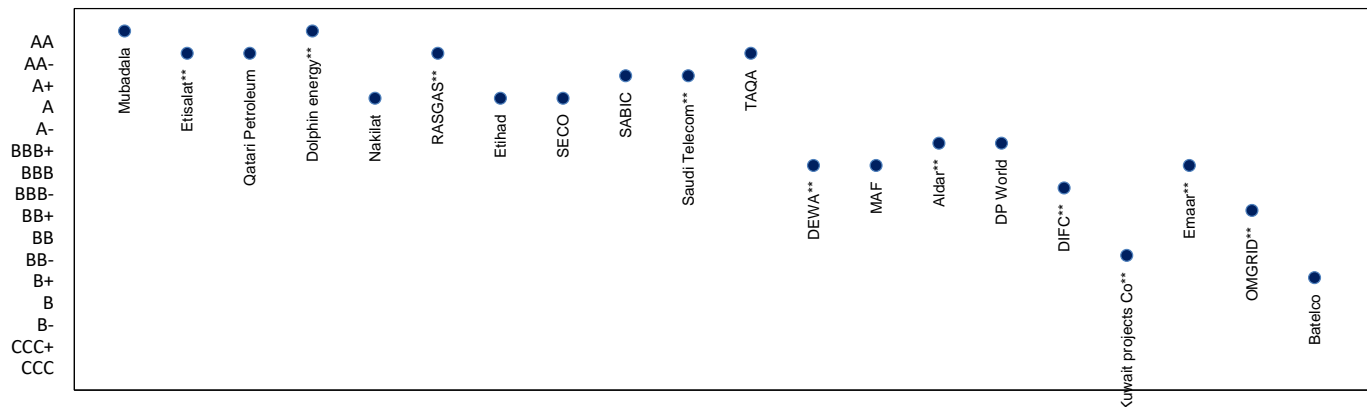
GCC Financials



Note: The ratings refer to Fitch ratings, *Moody's rating used as substitute where the corporate/bank not rated by Fitch ratingSource: 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

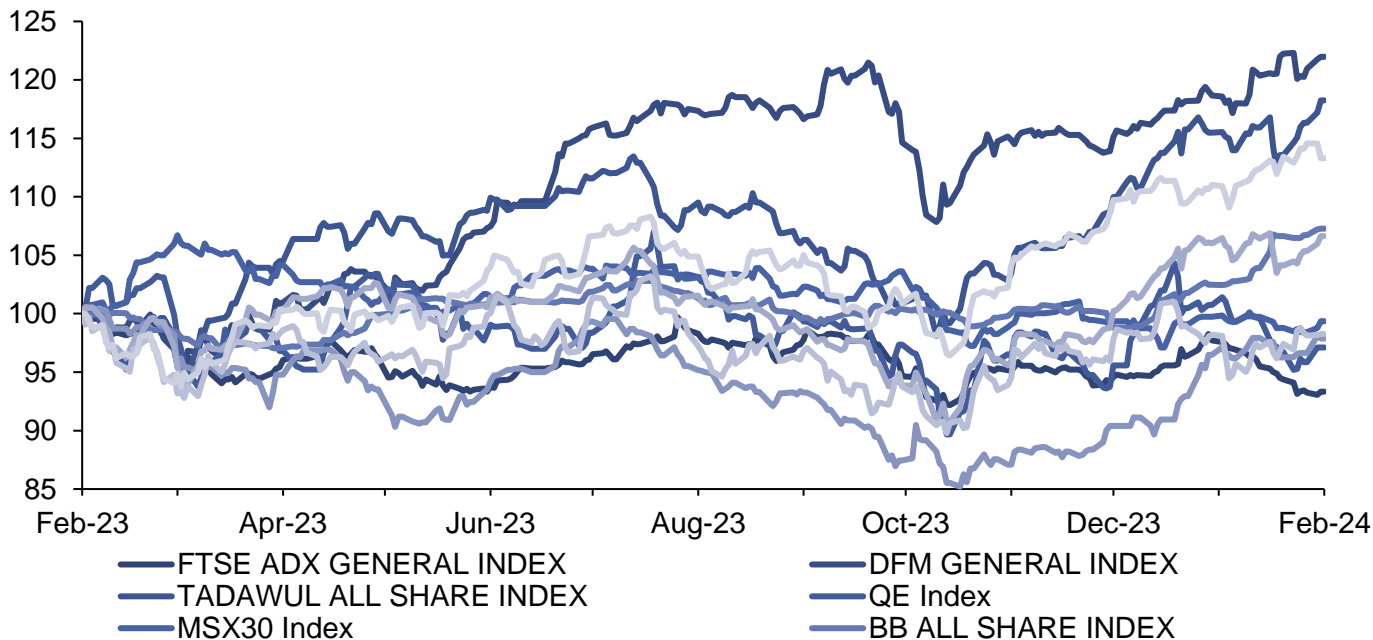
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	18.4x	-4.5%	1.7%
DFM	8.9x	26.9%	4.1%
Tadawul	21.0x	-14.4%	2.8%
DSM	1.6x	568.6%	4.9%
MSM30	7.6x	55.2%	4.7%
BHSE	7.0x	-	8.1%
KWSE	13.7x	7.1%	2.7%
MSCI GCC	15.7x	0.0%	3.2%
MSCI EM	13.7x	-12.6%	2.6%
MSCI ACWI	19.3x	0.3%	2.0%

Notes: *data as of 14 February 2024
Source: Bloomberg, ADCB

GCC equity 1Y Performance

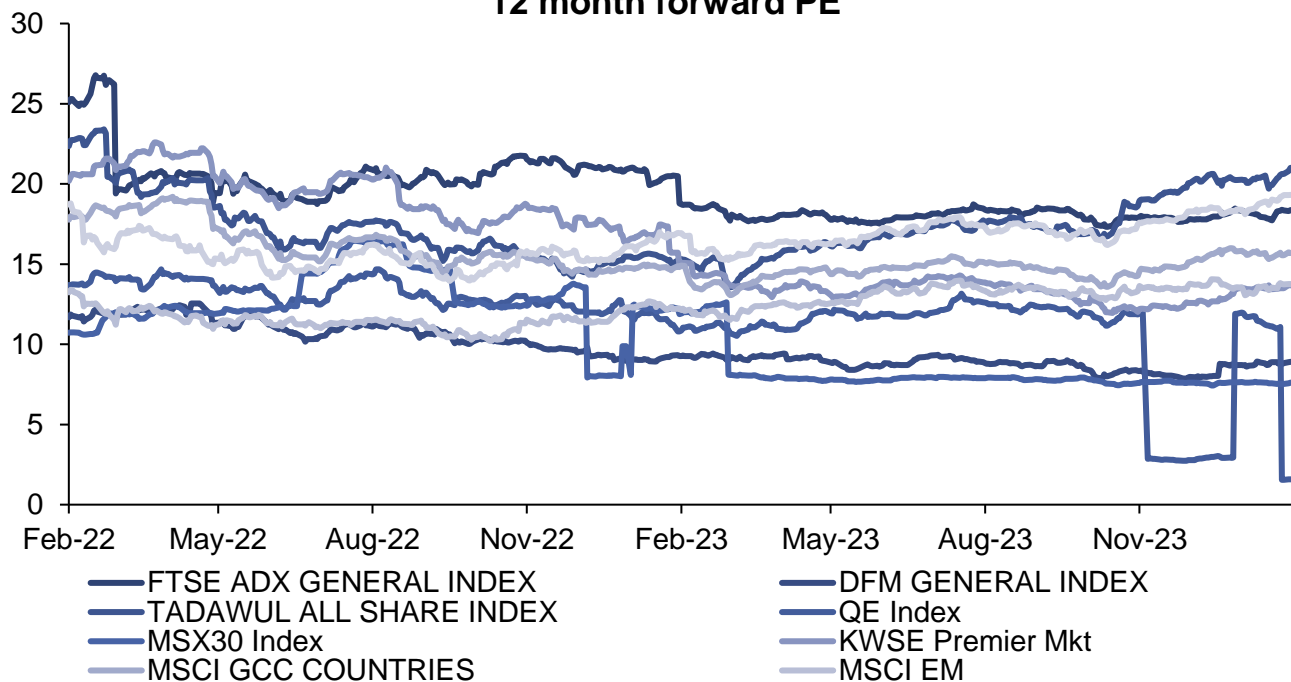
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

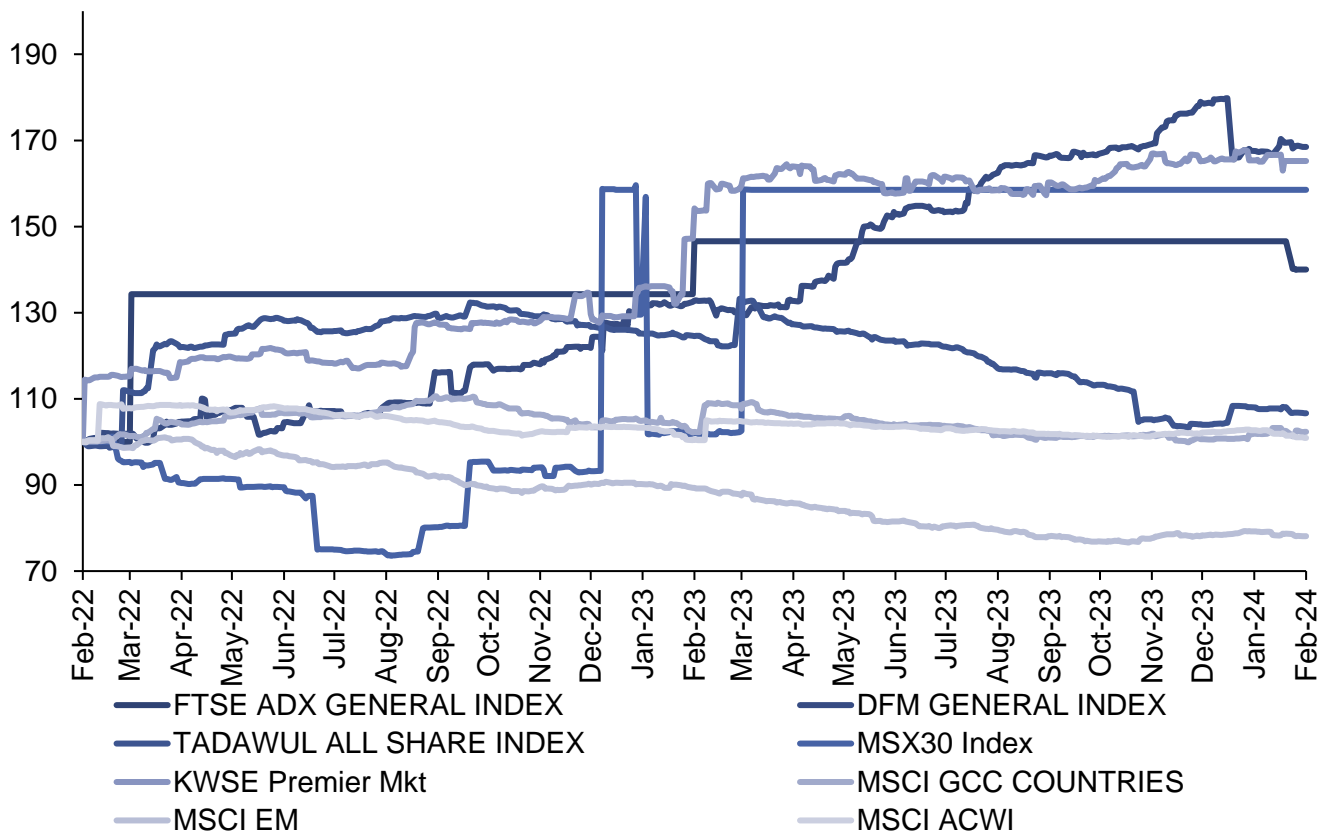
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

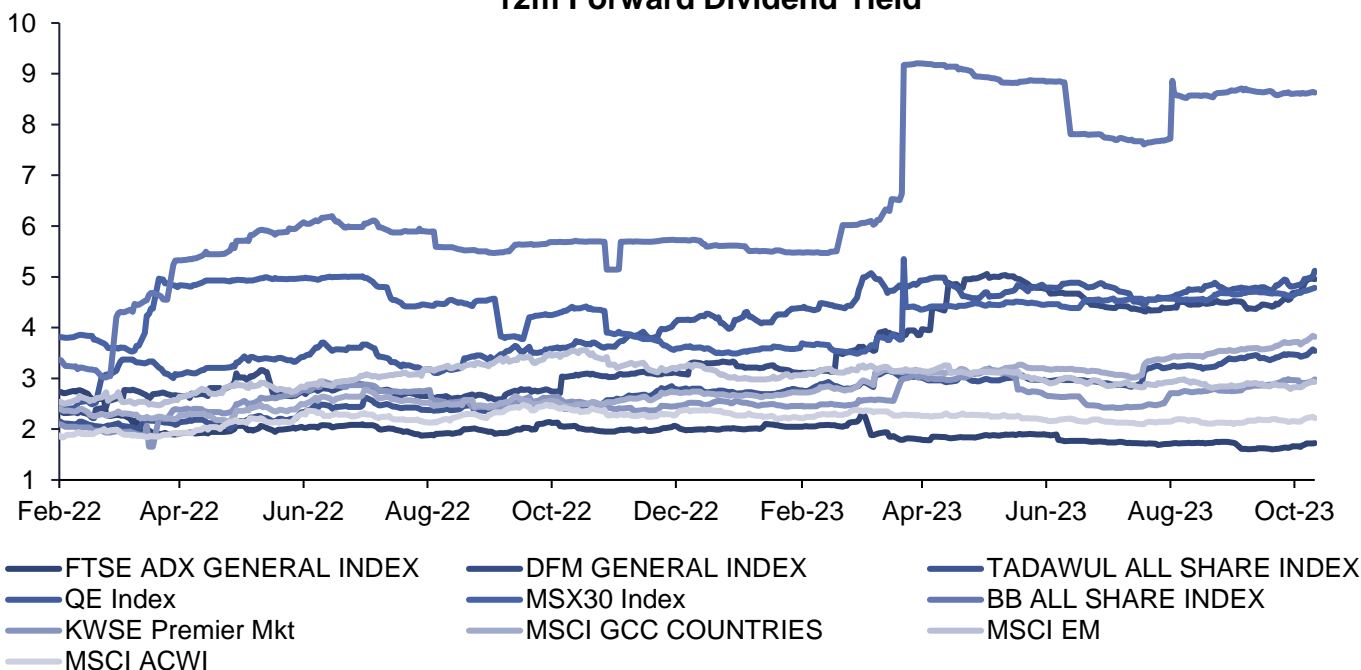
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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