

## GCC market performance

### GCC fixed Income:

Global benchmark bond index gained over the week (ending 20<sup>th</sup> February 2024). 10Y UST yields rose over the week. In credit, Global corporate IG and HY ended the week on a positive note. EM had a positive week too, registering gains over the week, led by EM LatAm. Appetite for GCC bonds was benign over the week. All GCC bond indices recorded positive returns. Saudi Arabia and Bahrain were the best performers. 5yr CDS spreads mostly tightened across all GCC countries barring Oman, Saudi Arabia, and Kuwait. In the USD sovereign market, the 10yr bond yields rose across the GCC countries with the exception of Saudi Arabia and Qatar.

### GCC equities:

Most regional indices posted gains last week with the exception of Bahrain and Oman. Tadawul posted most gains (1.35%), outperforming the rest of regional indices. Bahrain stocks underperformed the most, posting loss of 1.48%. MSCI GCC outperformed MSCI ACWI last week.

### GCC key developments:

- UAE's non-oil trade reached USD952.9bn in 2023.
- IMF praised UAE's economic performance.
- Qatar CPI decreased 1.30% in January.
- Saudi Arabia non-oil economy grew 4.6% in 2023.
- Saudi inflation rate rose 1.6% in January.
- Saudi Arabia posted budget deficit of USD21.58bn in 2023.
- Tabreed registered USD653.4mn in 2023 revenues.
- Saudi Telecom Company (STC) reported a net profit of USD3.5bn in 2023.

### GCC bond issuances:

- Saudi National Bank raised USD850mn in 5-year sustainable sukuk.
- First Abu Dhabi Bank planning to sell 5-year debt.
- Binghatti Holding hired banks for debut sukuk.

**Mohammed Al Hemeiri**

Senior Analyst

Tel: +971 (0) 281 264 50

[mohammed.alhemeiri@adcb.com](mailto:mohammed.alhemeiri@adcb.com)

**Prerana Seth, CFA**

Fixed Income Strategist

Tel: +971 (0) 281 264 49

[prerana.seth@adcb.com](mailto:prerana.seth@adcb.com)

**Kishore Muktinutalapati**

Head - Investment Strategy

Tel: +971 (0) 281 264 57

[kishore.muktinutalapati@adcb.com](mailto:kishore.muktinutalapati@adcb.com)

**Nura Al Suwaidi**

Analyst

Tel: +971 (0) 281 255 13

[Nura.Alsuwaidi@adcb.com](mailto:Nura.Alsuwaidi@adcb.com)

**Ahmed Al Falahi**

Analyst

Tel: +971 (0) 281 264 98

[ahmed.a5@adcb.com](mailto: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	458.37	0.48	-1.75	Saudi	6.24	3.73	0.52
Global Treasuries	195.57	0.54	-2.21	UAE	5.37	10.33	-4.63
EM USD Agg TR	1161.22	0.40	0.03	Kuwait	4.31	0.00	0.00
EM LatAm TR	1018.56	0.76	0.73	Bahrain	6.38	-0.51	-14.09
EM EMEA TR	346.32	0.22	-0.28	Oman	6.02	-	-1.80
EM Asia TR	616.61	0.26	-0.30	Qatar	6.00	-	-12.50
Bahrain TR	190.04	0.21	0.18	US SOFR	5.30	0.00	-9.00
Oman TR	148.52	0.13	-0.65	5Y Sov. CDS			
Kuwait TR	148.46	0.09	0.15	Saudi Arabia	55.41	0.70	1.00
Qatar TR	132.70	0.03	-1.31	Abu Dhabi	40.07	-0.50	-3.70
Saudi Arabia TR	136.05	0.27	-1.72	Dubai	65.84	-0.50	-1.50
UAE TR	137.26	0.10	-0.75	Kuwait	61.54	0.10	6.50
Equity				Bahrain	209.99	-2.40	-2.70
ADX	9400.28	0.06	-3.24	Oman	115.61	0.90	-6.60
DFM	4277.36	1.28	4.90	Qatar	42.11	-1.00	-4.70
Tadawul	12606.50	1.35	5.68	10Y yield			
DSM	10308.49	0.94	-0.74	Saudi Arabia	5.12	-1.60	42.10
MSM30	4581.51	-1.06	0.04	Abu Dhabi	4.63	2.20	35.80
BHSE	2048.51	-1.48	4.33	Dubai	4.62	5.10	-6.30
KWSE	8106.83	0.82	6.25	Kuwait	4.50	0.40	22.10
MSCI GCC	744.68	1.25	4.25	Bahrain	6.93	0.90	18.30
MSCI EM	1018.99	2.02	1.58	Oman	5.81	2.40	32.20
MSCI ACWI	748.23	0.44	4.72	Qatar	4.56	-0.70	34.00

Note: data from 14<sup>th</sup> February 2024 to 20<sup>th</sup> February 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management

## UAE's non-oil sector reached USD952.9bn in 2023

The United Arab Emirates' non-oil trade reached AED3.5trn (USD952.93bn) in 2023, according to the Prime Minister of UAE Sheikh Mohammed bin Rashid Al-Maktoum. According to the Minister of Foreign Trade, Thani Al Zeyoudi, trade in non-oil goods rose 12.6%, while exports of goods and services surpassed AED1trn to set a new record..

(Source: Zawya)

## IMF praised UAE's economic performance

The International Monetary Fund has praised the UAE's robust economic performance in recent years and highlighted its exceptional handling of global challenges. UAE's economic diversification strategy has played a vital role in enhancing the efficiency of the private sector. The strong performance of the UAE's non-oil sector has significantly contributed to the country's economic resilience. The performance of the UAE economy has been very good, achieving the best growth rates compared to other economies in the region, exceeding 4.0%, according to the International Monetary Fund (IMF).

(Source: Zawya)

## Qatar CPI decreased 1.30% in January

According to the Planning and Statistics Authority (PSA), Qatar CPI decreased 1.30% in January 2024 when compared to December 2023.

(Source: Zawya)

## Saudi inflation rate rose 1.6% in January

Saudi Arabia's annual inflation rate rose from 1.5% in December to 1.6% in January, with rising rents remaining the main driver. Housing rents increased 9.3% in January 2024, with prices for villas rising 8.2%, while the prices of housing, water, electricity, gas, and other fuels rose 7.8%. Food and beverages prices increased by 1%, driven by the increase in the price of vegetables by 3.7%. Restaurants and hotels prices increased 2.4%.

(Source: Zawya)

## Saudi Arabia's non-oil economy grew 4.6% in 2023

According to the Finance Minister of Saudi Arabia Mohammed Al Jadaan, Saudi Arabia's non-oil economy grew 4.6% in 2023 and it is expected to grow above 5% in the medium term.

(Source: Zawya)

## Saudi Arabia posted budget deficit of USD21.58bn in 2023

According to the Ministry of Finance, Saudi Arabia in 2023 suffered a budget deficit of SAR80.946bn (USD21.58bn). It recorded SAR1.212trn in revenue including oil revenue of SAR754.6bn, while its expenditures totaled SAR1.293trn. Additionally, Saudi Arabia's Q4 deficit was SAR36.995bn.

(Source: Zawya)

## Tabreed registered USD653.4mn in 2023 revenues

Tabreed released its consolidated financial results for the year 2023, reporting a revenue of AED2.4bn (USD653.4mn), an increase of 9% y-o-y over 2022.

(Source: Zawya)

## Saudi Telecom Company (STC) reported a net profit of USD3.5bn in 2023

Saudi Telecom Company (STC) reported a net profit of SAR13.29bn (USD3.54bn), an increase of 9.2%, compared to SAR12.17bn a year ago. In addition, STC announced a dividend of SAR 1 per share, or SAR4.98bn for 2023.

(Source: Zawya)

## Saudi National Bank raised USD850mn in 5-year sustainable sukuk

Saudi National Bank raised USD850mn in 5-year sustainable sukuk. The spread for the debt sale was set at 90bp over US Treasuries, tighter than the initial guidance of 120bp over the same benchmark earlier, after the orderbook topped USD4.1bn.

(Source: Zawya)

## First Abu Dhabi Bank started to sell 5-year debt

First Abu Dhabi Bank (FAB), has given initial price guidance at 120bp over US Treasuries for its 5-year benchmark-sized debt issuance.

(Source: Reuters)

## Binghatti Holding hired banks for debut sukuk

UAE-based real estate developer Binghatti Holding has hired banks to arrange investor meetings for its planned 3 years debut sukuk and will be followed by a benchmark-sized USD-denominated senior unsecured sukuk offering, subject to market conditions.

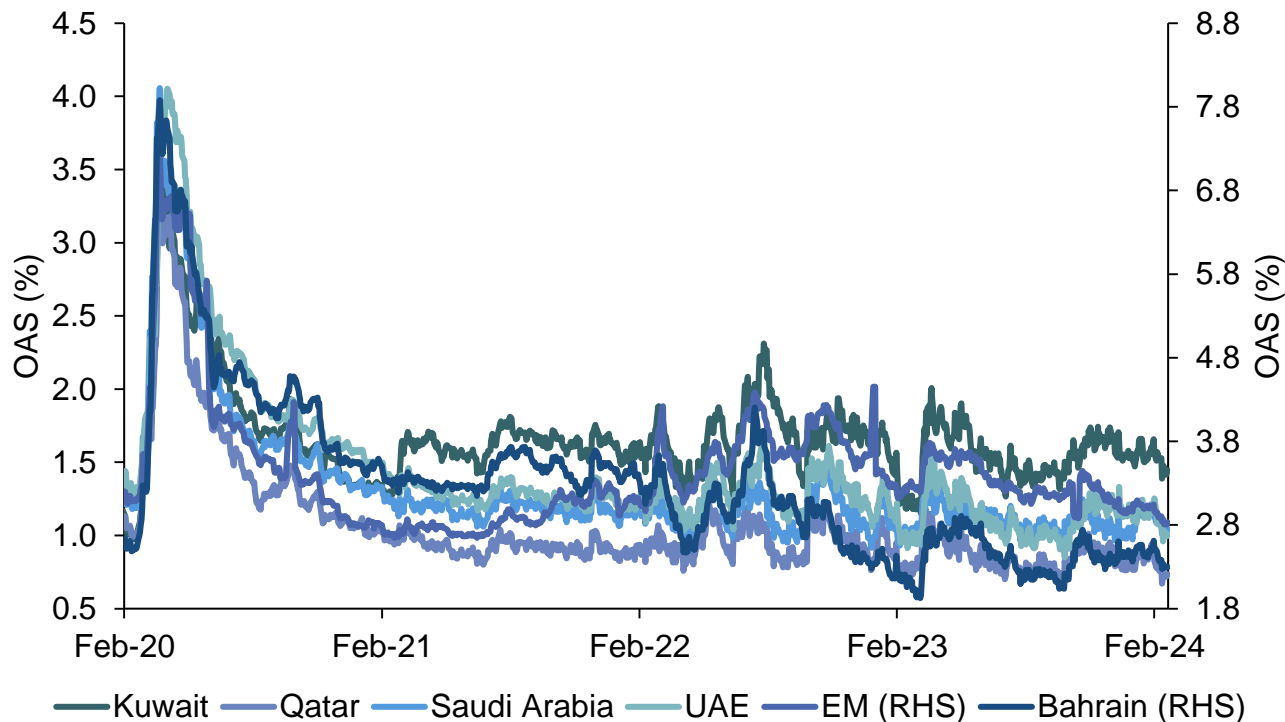
(Source: Bloomberg)

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg <sup>^</sup>	YTM (mid)	YTC
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

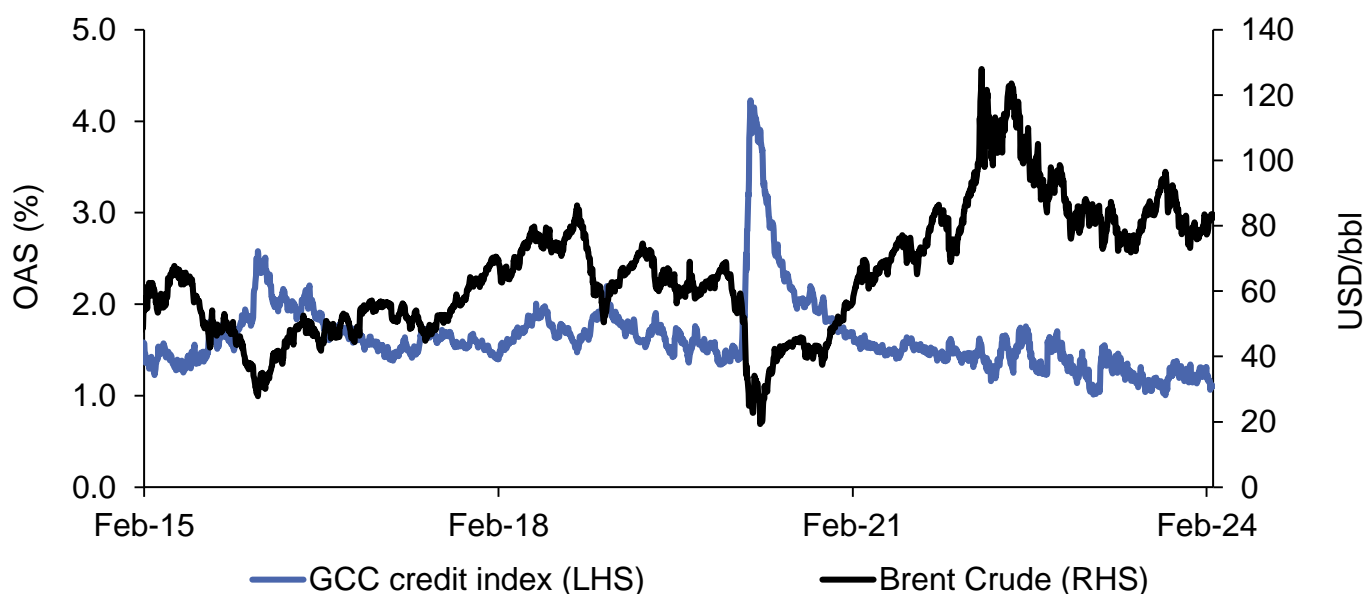
## Appendix

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



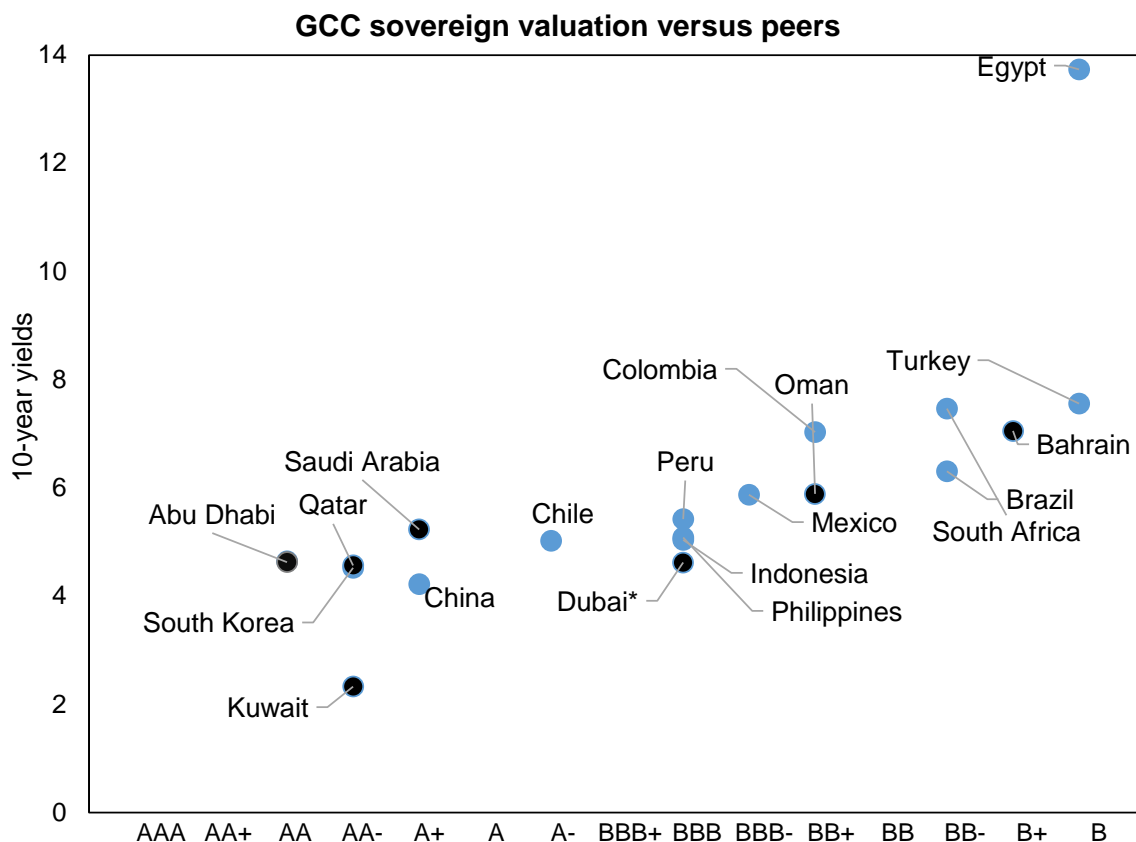
Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

### GCC corporate OAS spread versus Brent Crude



Source: Bloomberg, ADCB Asset Management

## 10yr yield versus Credit ratings (EM vs GCC)



Source: Bloomberg, ADCB Asset Management, \*Dewa rating used as a substitute for Dubai, Fitch ratings are used for all countries

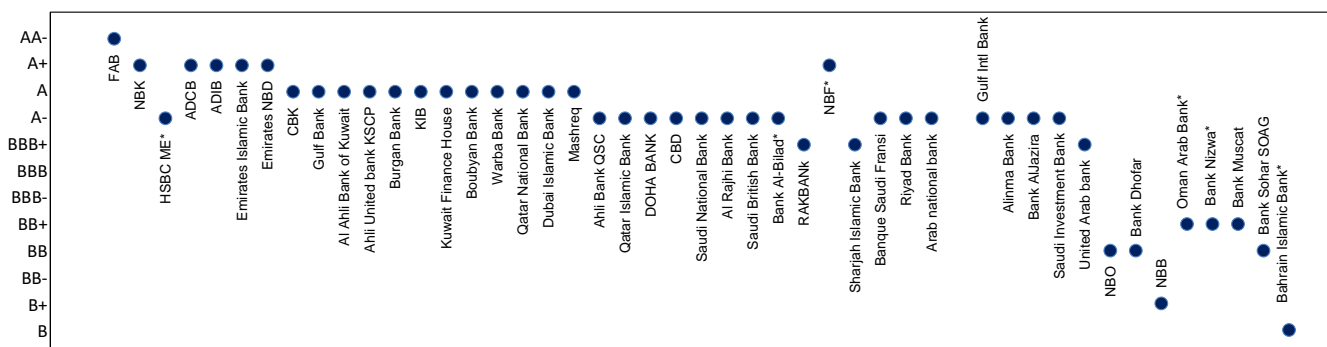
## GCC Sovereign Rating

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

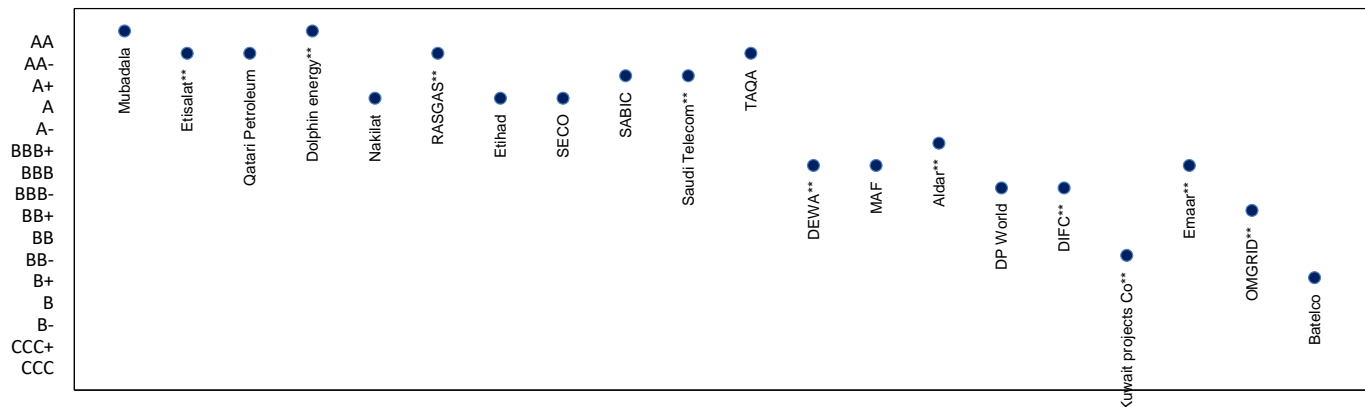
GCC Financials



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

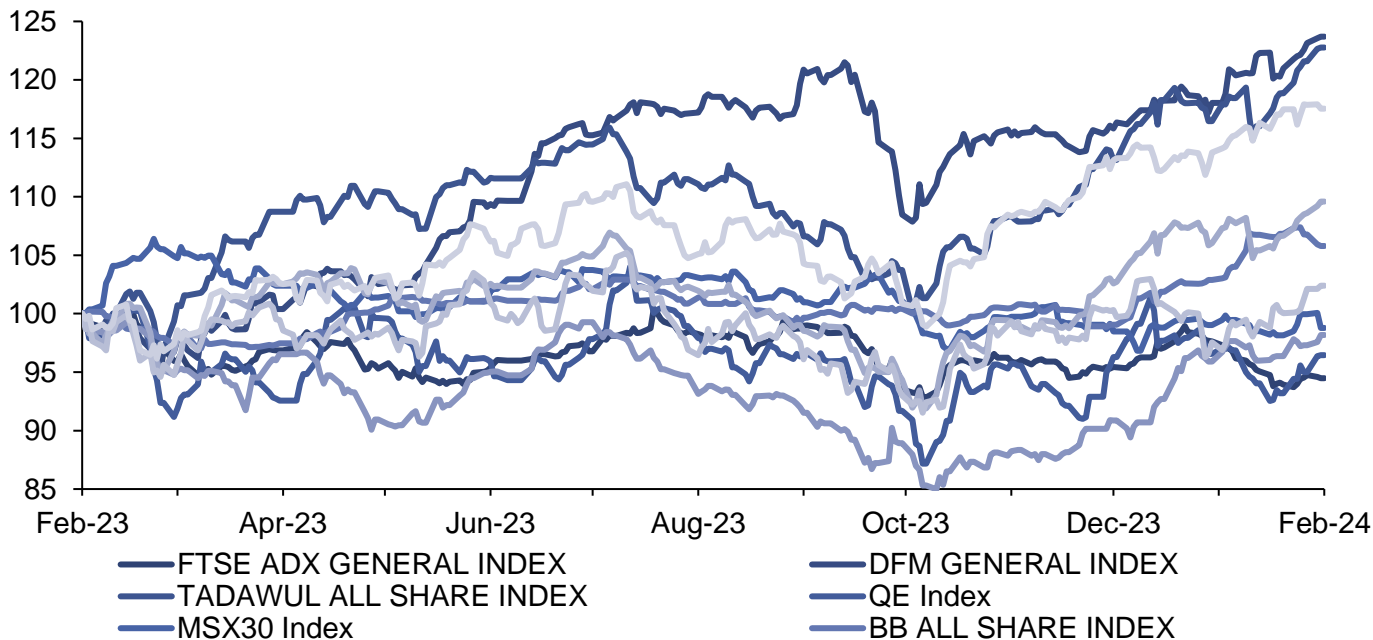
## GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	25.8x	-31.6%	1.7%
DFM	9.0x	26.8%	4.0%
Tadawul	21.3x	-13.6%	2.8%
DSM	11.2x	-4.3%	4.8%
MSM30	7.6x	55.4%	4.7%
BHSE	6.9x	-	8.2%
KWSE	13.7x	8.1%	2.7%
MSCI GCC	15.1x	-0.2%	3.1%
MSCI EM	14.1x	-12.7%	2.6%
MSCI ACWI	19.5x	-4.4%	2.0%

Notes: \*data as of 21 February 2024  
Source: Bloomberg, ADCB

## GCC equity 1Y Performance

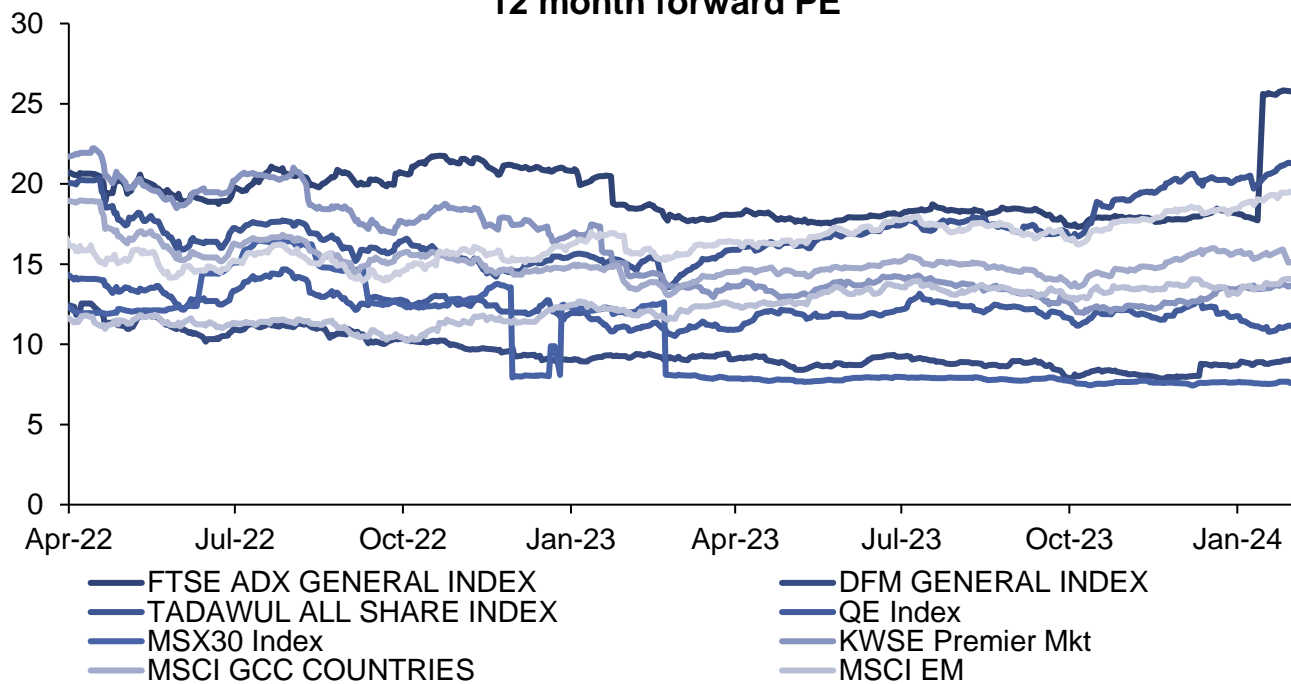
### 1Y performance



Source: Bloomberg, ADCB

## GCC equity 12m forward PE

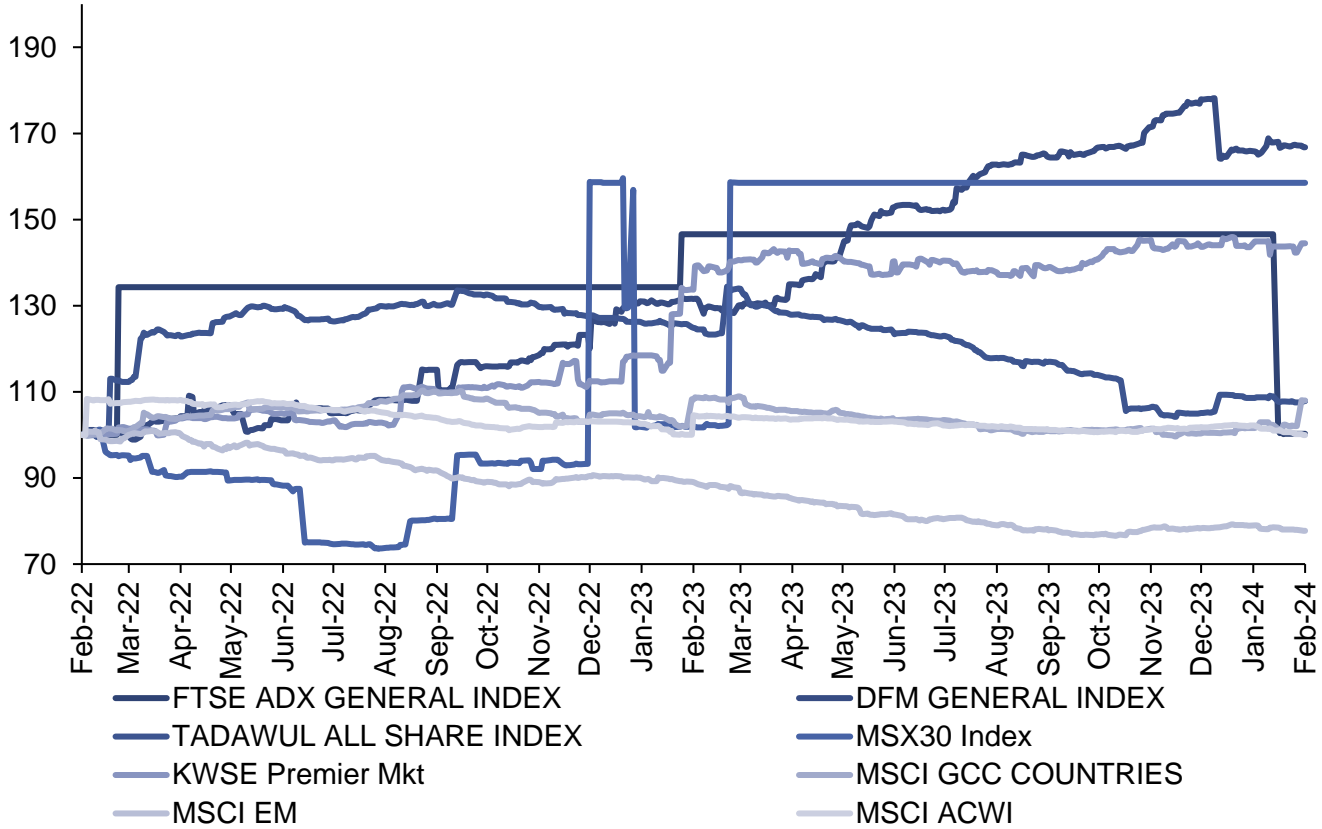
### 12 month forward PE



Source: Bloomberg, ADCB

## GCC equity 12m forward EPS

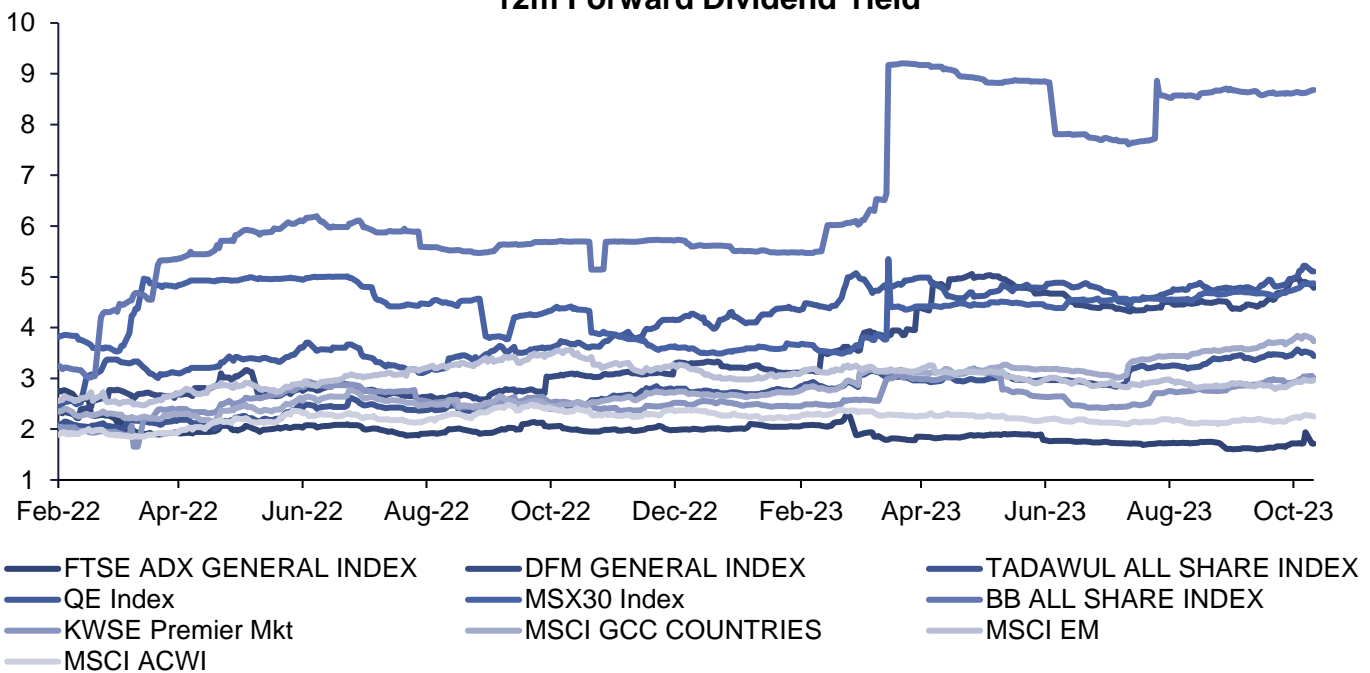
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

## GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB



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