

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index posted marginal declines for the week ending 13th January. The Global Aggregate index declined (-0.17%) and Global Treasuries also fell (-0.34%). In credit, Global corporate IG index posted marginal declines, while Global HY index posted marginal gains last week. EM USD bonds recorded declines.

All GCC bond indices declined over the week. Bahrain and Oman underperformed the most. Kuwait ended flat. 5Y sovereign CDS spreads widened across all GCC markets. In the USD sovereign market, the 10yr bond yields rose across all GCC markets.

GCC equities

GCC regional indices ended mixed – Saudi Arabia outperformed the most (+4.19%). Dubai, Qatar, and Oman posted gains. Bahrain and Kuwait recorded losses. Overall, MSCI GCC posted gains (+2.85%), outperforming both MSCI EM and MSCI ACWI.

GCC key macro developments

- ▶ UAE economy to grow 5% in 2026 and 5.1% in 2027 - World Bank.
- ▶ Saudi Arabia's industrial production index jumped 10.4% in November 2025 – GASTAT.

GCC corporate news

- ▶ Emirates NBD priced its AED1bn digitally native notes at 4.25%.
- ▶ First Abu Dhabi Bank priced USD750mn 5-year bond at 4.299%.
- ▶ Dubai Aerospace Enterprise tightens price on USD600mn bond.
- ▶ Saudi National Bank mandated a USD-denominated Additional Tier 1 perpetual, non-call 5.5-year bond

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GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	500.4	-0.17	8.20	Saudi	4.93	-1.23	-48.61
Global Treasuries	207.6	-0.34	6.68	UAE	3.61	17.65	-82.81
EM USD Agg TR	1386.7	-0.05	11.02	Kuwait	3.56	0.00	-37.50
EM LatAm TR	1281.2	-0.02	13.10	Bahrain	4.98	-0.01	-70.51
EM EMEA TR	408.6	-0.08	10.85	Oman	4.43	-	-49.00
EM Asia TR	705.2	-0.04	8.61	Qatar	4.05	7.50	-60.00
Bahrain TR	222.4	-0.29	9.43	US SOFR	3.64	-1.00	-76.00
Oman TR	172.5	-0.21	10.27	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	168.0	0.02	7.10	Saudi Arabia	70.19	1.57	-5.39
Qatar TR	148.7	-0.11	8.02	Abu Dhabi	30.24	0.13	13.67
Saudi Arabia TR	153.5	-0.07	8.79	Dubai	54.91	0.36	7.83
UAE TR	154.9	-0.12	8.63	Kuwait	54.99	1.5	1.5
Equity	Latest	-1w %	YTD %	Bahrain	197.54	5.24	-9.27
ADX	10089.8	0.42	8.24	Oman	79.33	3.31	22.93
DFM	6319.3	1.13	22.63	Qatar	28.94	0.34	15.10
Tadawul	10893.6	4.19	-9.99	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	11229.2	1.51	6.23	Saudi Arabia	4.72	1.10	-67.80
MSM30	6178.1	1.29	35.09	Abu Dhabi	4.26	2.20	-76.20
BHSE	2045.1	-0.91	3.33	Dubai	4.06	4.30	-76.50
KWSE	9424.2	-0.41	20.23	Bahrain	6.37	8.20	-59.50
MSCI GCC	766.1	2.85	5.50	Oman	4.86	4.20	-87.00
MSCI EM	1472.3	0.64	37.47	Qatar	4.23	2.40	-60.90
MSCI ACWI	1038.1	0.64	23.59				

Note: data from 7th January 2025 to 13th January 2026. Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Developments

▶ **UAE economy to grow 5% in 2026 and 5.1% in 2027 - World Bank**

The World Bank expects the UAE economy to grow by 5% in 2026, rising to 5.1% in 2027. The global economy is proving more resilient than anticipated, despite persistent trade tensions and policy uncertainty. Global growth is projected to remain broadly steady over the next two years, easing to 2.6% in 2026 before rising to 2.7% in 2027, representing an upward revision from the June forecast. In addition, the World Bank projects that growth in GCC will rise to 4.4% in 2026 and 4.6% in 2027. Global inflation is projected to decline to 2.6% in 2026, reflecting softer labour markets and lower energy prices. Growth is expected to pick up in 2027 as trade flows adjust and policy uncertainty diminishes. (Source: Zawya).

▶ **Saudi Arabia's industrial production index jumped 10.4% in November 2025 - GASTAT**

According to the General Authority for Statistics (GASTAT), Saudi Arabia's Industrial Production Index for November 2025 recorded an increase of 10.4%. This was driven mainly by mining and quarrying, manufacturing, water supply, sewerage, waste management, and remediation activities. The Industrial Production Index posted a fall of 0.7% in November compared with October 2025. (Source: Zawya).

▶ **Emirates NBD priced its AED1bn digitally native notes at 4.25%**

Emirates NBD Bank (ENBD) has priced its 3-year 1bn AED-denominated digitally native notes (DNN) at a coupon rate of 4.25%, with a reoffer price at par. Books for the UAE lender's debut dirham DNN were in excess of AED1.3bn. The benchmark-sized Regulation S issuance will come under ENBD's USD20bn Euro Medium Term Note Programme, with the DNN clearing through the Euroclear Digital Financial Market Infrastructure (D-FMI). (Source: Zawya)

▶ **First Abu Dhabi Bank priced USD750mn 5-year bond at 4.299%**

First Abu Dhabi Bank PJSC (FAB) has priced its USD750mn Regulation S 5-year senior unsecured Eurobond at a fixed coupon of 4.299%. The bond carries a spread of 60bp over US Treasuries and a yield of 4.299%, with a re-offer price at par. Investor demand was strong, with the final order book exceeding USD2.8bn (excluding joint lead managers). Initial price thoughts were set at T+95bp, before tightening to T+60bp on robust interest. (Source: Zawya).

▶ **Dubai Aerospace Enterprise tightens price on USD600mn bond**

Dubai Aerospace Enterprise Ltd (DAE) tightened the spread on its benchmark sized 7-year bond, which was upsized to USD600mn at 120bp over US Treasuries from initial price thoughts in the T+145bp area. The Regulation S senior unsecured Eurobond has a 4.95% coupon, with a 5.137% yield and a re-offer price of 98.912. The orderbook was in excess of USD2bn. The bond will be listed on Nasdaq Dubai. (Source: Zawya).

▶ **Saudi National Bank mandated Tier 1 perpetual NC5.5-year bond**

Saudi National Bank has mandated a USD-denominated Additional Tier 1 perpetual, non-call 5.5-year bond. The issuance will come under the bank's USD5bn AT1 Capital Note Programme. Investor calls and a roadshow are expected to commence today. SNB mentioned that the notes will help improve its Tier 1 Capital, with funds to be used for general corporate purposes and to fulfil its financial and strategic objectives (Source: Zawya).

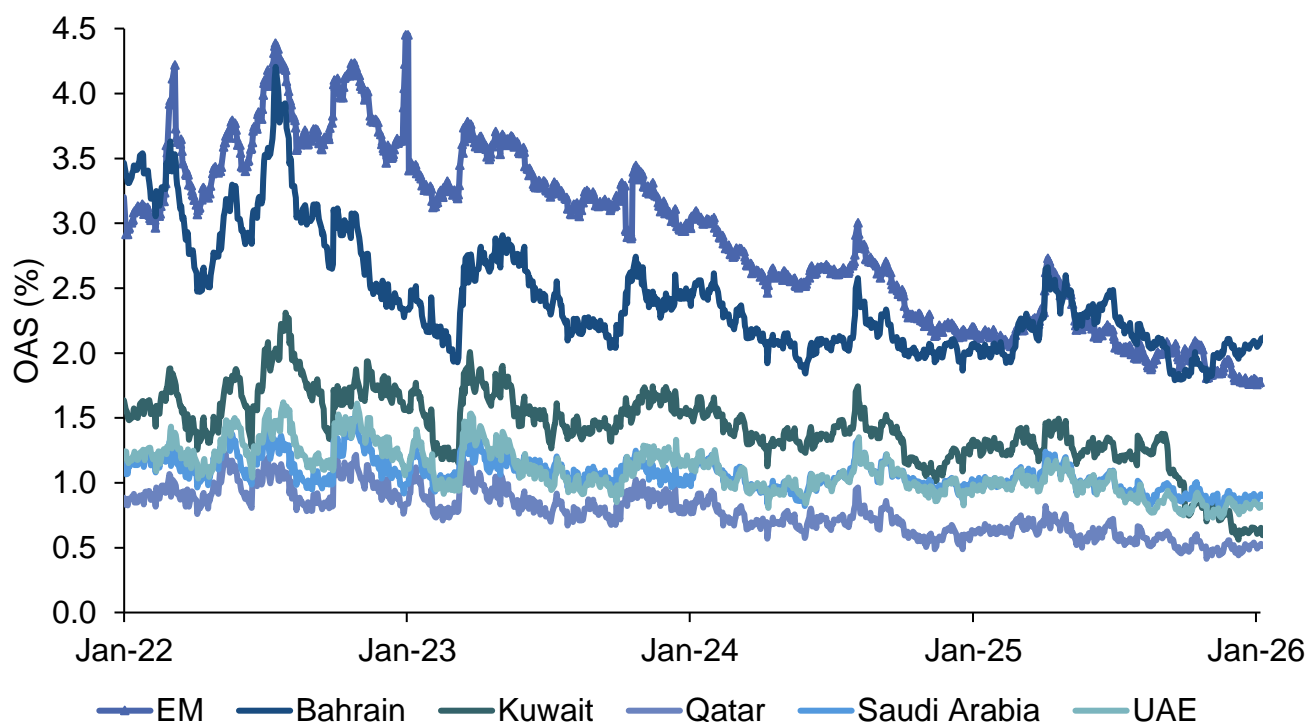
GCC bond issuances

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
Saudi Government International Bond	KSA	Sovereign	SA	2500	4.125	1/12/2029	AT MATURITY	USD	1/12/2026	A+	4.17	-
Saudi Government International Bond	KSA	Sovereign	SA	2750	4.375	1/12/2031	AT MATURITY	USD	1/12/2026	A+	4.44	-
Saudi Government International Bond	KSA	Sovereign	SA	2750	4.875	1/12/2036	AT MATURITY	USD	1/12/2026	A+	4.95	-
Saudi Government International Bond	KSA	Sovereign	SA	3500	5.875	1/12/2056	AT MATURITY	USD	1/12/2026	A+	5.98	-
Emirates NBD Bank PJSC	EBIUH	Agency	AE	700	4.529	1/13/2031	AT MATURITY	USD	1/13/2026	A	4.45	-
Emirates NBD Bank PJSC	EBIUH	Agency	AE	300	4.195	1/13/2029	AT MATURITY	USD	1/13/2026	AA-	4.15	-
KFH Sukuk Co	KFHKK	Financial Institutions	KW	1000	4.563	1/13/2031	AT MATURITY	USD	1/13/2026	-	4.56	-
First Abu Dhabi Bank PJSC	FABUH	Agency	AE	750	4.299	1/13/2031	AT MATURITY	USD	1/13/2026	BBB	4.28	-
Aldar Properties PJSC	ALDAR	Financial Institutions	AE	1000	5.875	4/14/2056	CALLABLE	USD	1/14/2026	-	6.32	6.01

*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

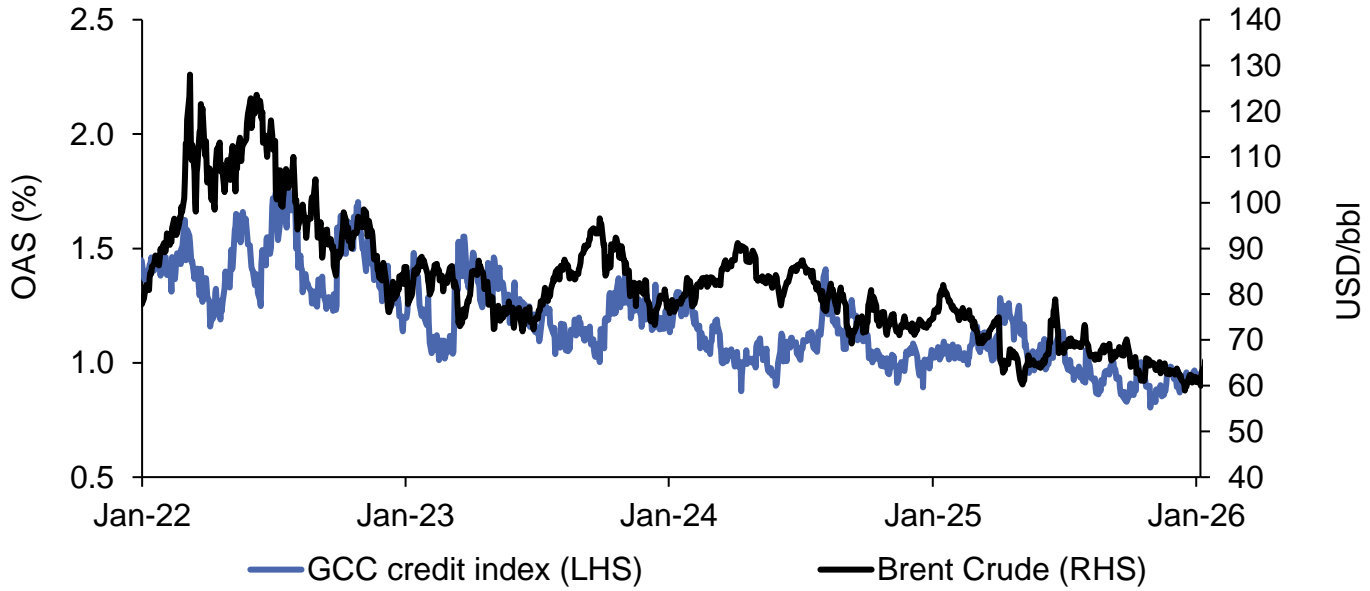
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

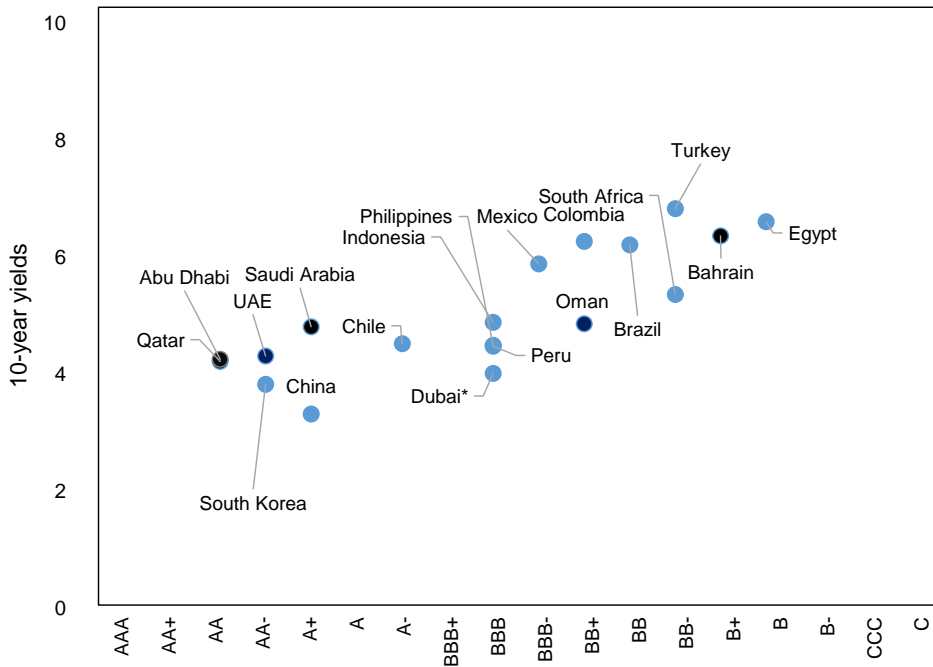
GCC corporate OAS spread versus Brent Crude



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

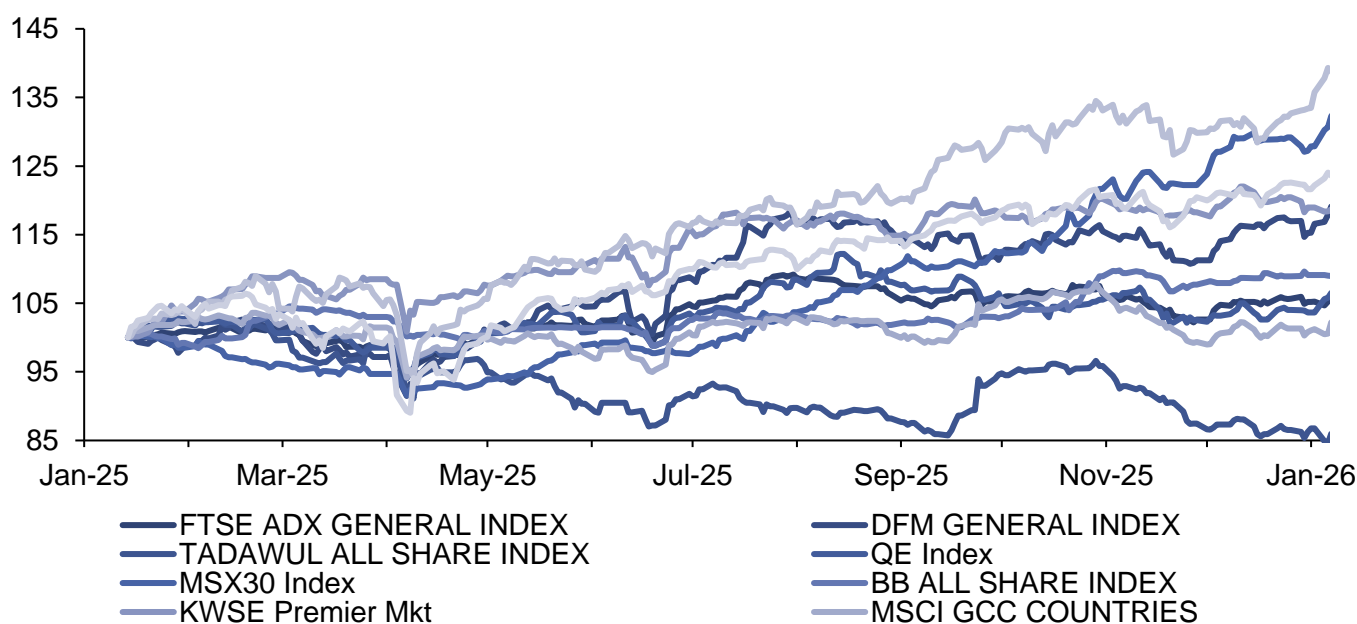
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	11.7x	39.4%	2.3%
DFM	11.5x	-	4.5%
Tadawul	16.6x	3.8%	3.6%
DSM	12.1x	-1.9%	4.4%
MSM30	0.5x	-	5.0%
BHSE	14.7x	-	9.4%
KWSE	18.0x	-12.6%	3.4%
MSCI GCC	13.6x	10.8%	3.9%
MSCI EM	16.5x	10.9%	2.2%
MSCI ACWI	22.3x	11.7%	1.6%

Notes: *data as of 14 January 2026 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

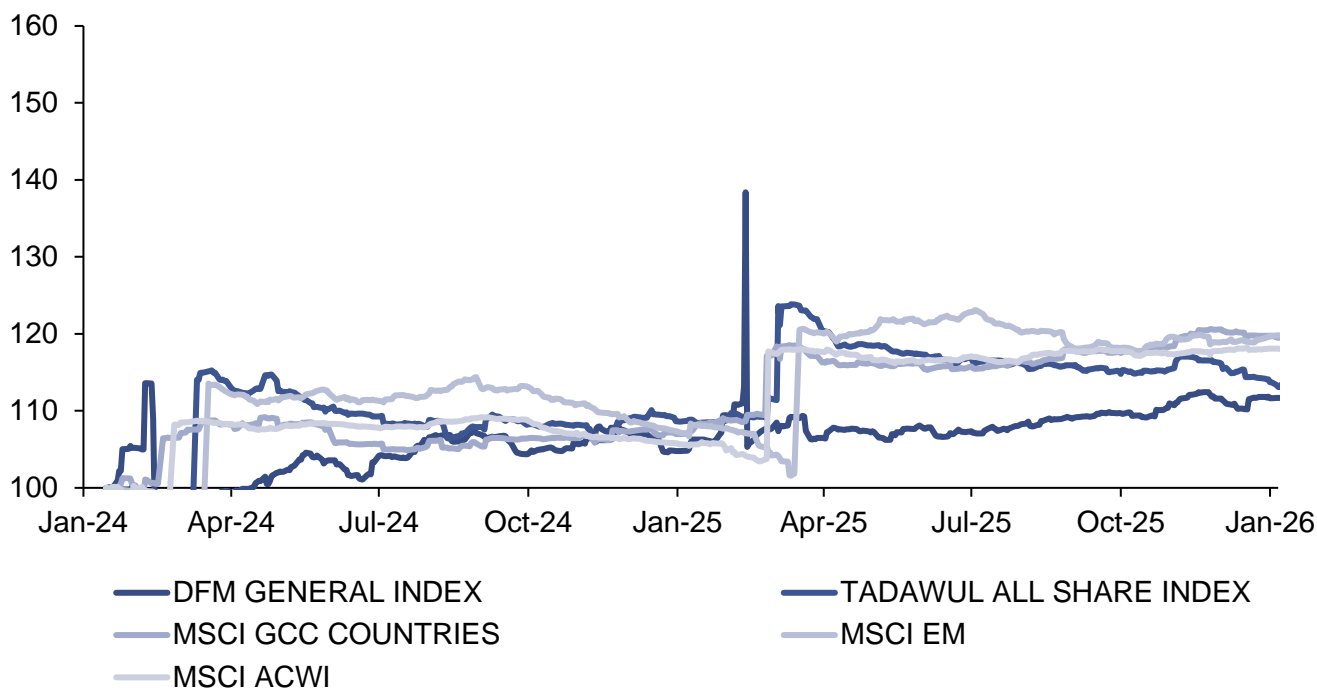
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

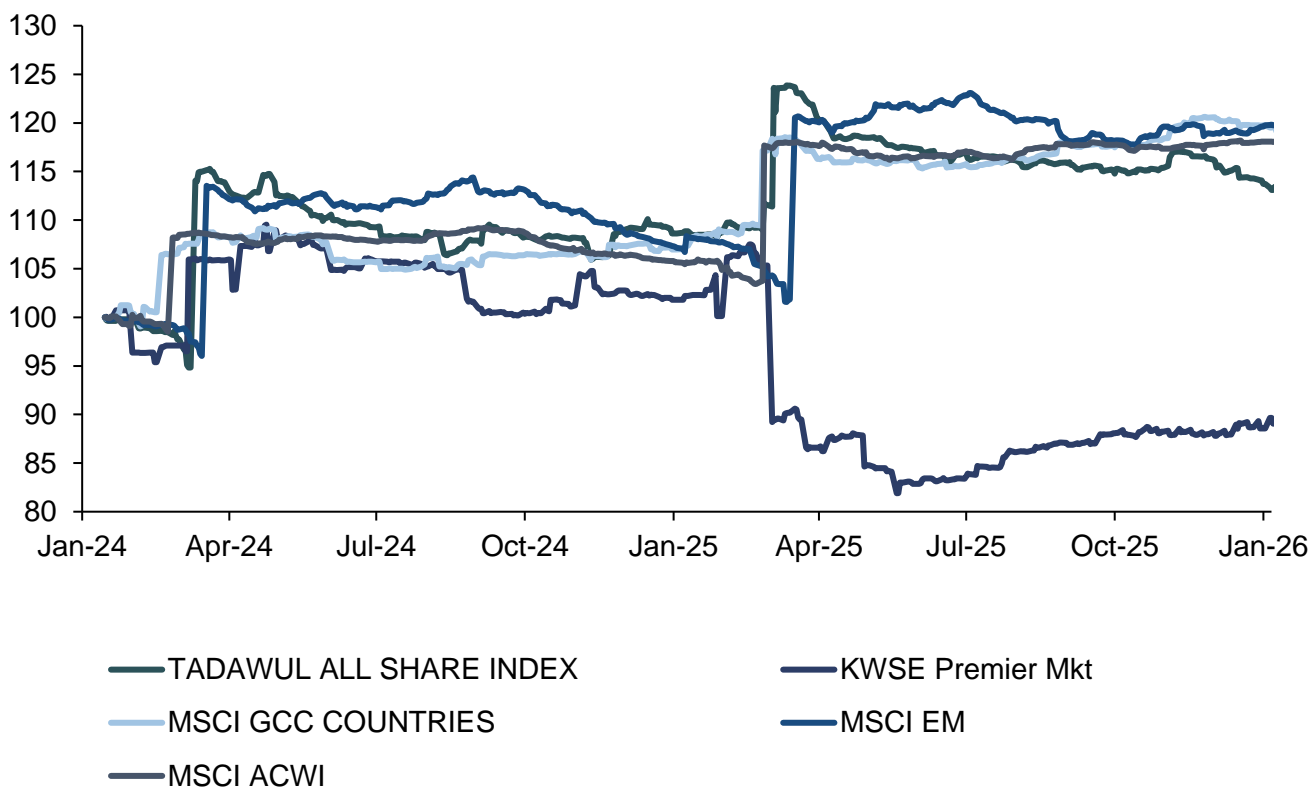
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

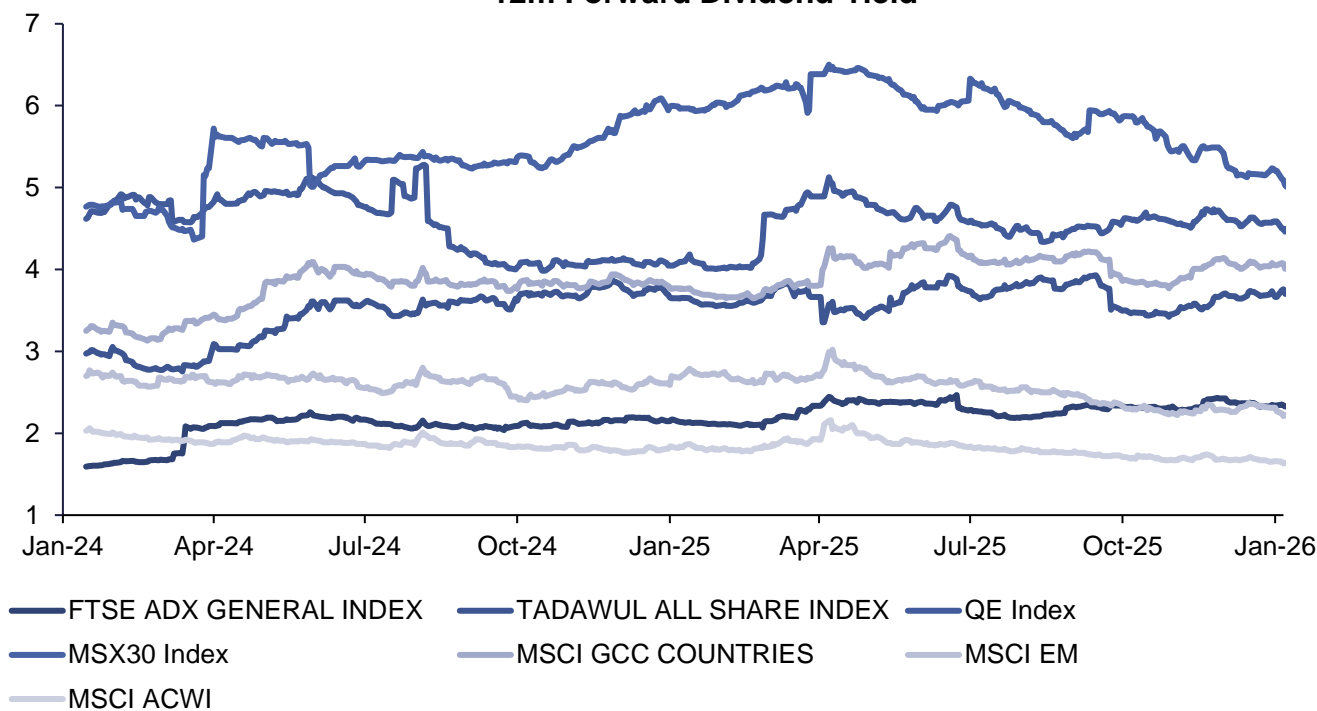
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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