

## GCC market performance and activity summary

### GCC fixed income

Global benchmark bond index posted marginal declines for the week ending 20th January. The Global Aggregate index declined (-0.24%) and Global Treasuries also fell (-0.38%). In credit, Both Global corporate IG index and Global HY index posted marginal declines last week. EM USD bonds recorded declines. Led by EMEA (-0.25%).

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

### GCC equities

GCC regional indices gained over the week – UAE and Saudi Arabia outperformed the most. Kuwait, Oman, Qatar, and Bahrain also posted gains. Overall, MSCI GCC posted gains (+2.03%), outperforming both MSCI EM and MSCI ACWI.

### GCC key macro developments

- ▶ IMF raised Saudi Arabia's 2026 growth forecast to 4.5%.
- ▶ Saudi Arabia recorded a 2% average inflation rate in 2025.
- ▶ Qatar's CPI recorded a rise of 1.95% YoY in December 2025.

### GCC corporate news

- ▶ Al Masraf mandated banks for debut 5-year USD Reg S benchmark bond.
- ▶ Saudi National Bank mandated Tier 1 perpetual NC5.5-year bond.
- ▶ Qatar National Bank launched a USD650mn Formosa bond.

## GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
Fixed Income				3M interbank			
Global Agg	500.0	-0.24	8.12	Saudi	4.94	-3.19	-47.67
Global Treasuries	207.3	-0.38	6.54	UAE	3.60	-1.10	-83.60
EM USD Agg TR	1383.4	-0.20	10.75	Kuwait	3.56	0.00	-37.50
EM LatAm TR	1279.7	-0.12	12.97	Bahrain	4.99	0.34	-70.17
EM EMEA TR	407.2	-0.25	10.48	Oman	4.42	-1.15	-50.15
EM Asia TR	703.4	-0.21	8.33	Qatar	3.99	-6.50	-66.50
Bahrain TR	222.0	-0.15	9.24	US SOFR	3.65	1.00	-75.00
Oman TR	172.3	-0.02	10.11	5Y Sov. CDS			
Kuwait TR	167.9	-0.03	7.01	Saudi Arabia	70.09	0.69	-5.29
Qatar TR	148.1	-0.32	7.64	Abu Dhabi	30.66	0.53	13.25
Saudi Arabia TR	153.1	-0.19	8.52	Dubai	54.69	0.25	8.05
UAE TR	154.5	-0.19	8.36	Kuwait	55.01	-	1.5
Equity				Bahrain	200.83	3.60	-12.56
ADX	10199.1	1.88	9.37	Oman	82.86	4.83	19.40
DFM	6384.1	1.71	23.71	Qatar	29.22	0.44	14.82
Tadawul	10927.6	1.55	-9.83	10Y yield			
DSM	11210.5	0.52	6.14	Saudi Arabia	4.77	3.80	-62.50
MSM30	6196.8	0.87	36.58	Abu Dhabi	4.35	6.90	-67.50
BHSE	2052.5	0.34	3.75	Dubai	4.08	1.00	-74.60
KWSE	9426.5	0.99	20.38	Bahrain	6.45	8.00	-51.20
MSCI GCC	770.7	2.03	6.13	Oman	4.90	1.90	-83.00
MSCI EM	1480.6	0.98	38.25	Qatar	4.31	7.90	-52.60
MSCI ACWI	1022.3	-1.54	21.71				

Note: data from 12<sup>th</sup> January 2025 to 20<sup>th</sup> January 2026, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

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## Developments

### ▶ IMF raised Saudi Arabia's 2026 growth forecast to 4.5%

The International Monetary Fund (IMF) has raised its forecast for Saudi Arabia's economic growth in 2026 for the third year in a row. The IMF projected Saudi Arabia's economy to grow by 4.5% in 2026, up from a previous forecast of 4% in its October 2025 forecast. It is noteworthy that the IMF also raised its global growth forecast for 2026 to 3.3%, an increase of 0.2% from its previous October estimate. (Source: Zawya).

### ▶ Saudi Arabia recorded a 2% average inflation rate in 2025

According to the General Authority for Statistics (GASTAT), Saudi Arabia's inflation rate stood at 2% in 2025, with rising housing rents remaining the main source of price pressure despite declines across several consumer categories. Annual average prices for housing, water, electricity, gas, and other fuels increased by 6.1% in 2025, driven by an 8.2% rise in actual rents paid by tenants for main residences. Food and beverages recorded inflation of 1.1% and transport costs rose 0.4%, while prices of household goods and furniture fell 0.8% on an annual basis. Last year, information and communication prices also declined (-0.7%) due to a 6.8% drop in the prices of information and communication equipment. (Source: Zawya).

### ▶ Qatar's CPI recorded a rise of 1.95% YoY in December 2025

According to the National Planning Council (NPC), Qatar's Consumer Price Index (CPI) recorded 112.39 points in December 2025, marking an increase of 1.44% compared with November 2025, and a YoY rise of 1.95% compared with the same month in 2024. The monthly increase to rises in eight groups. The recreation and culture group recorded the highest increase at 6.84%, miscellaneous goods and services group at 1.87%, the restaurants and hotels group at 1.7%, the clothing and footwear group at 0.89%, the transport group at 0.71%, the communication group at 0.35%, the food and beverages group at 0.19%, and finally the housing, water, electricity group at 0.15%. (Source: Zawya)

### ▶ Al Masraf mandated banks for debut 5-year USD Reg S benchmark bond

Arab Bank for Investment & Foreign Trade (Al Masraf) has appointed banks to arrange investor calls and meetings starting Friday, 16 January 2026, ahead of the potential issuance of its debut USD-denominated Reg S benchmark bond. Subject to market conditions, a debut 5-year senior unsecured fixed rate Reg S bond issuance under Al Masraf's USD5bn Euro Medium Term Note (EMTN) Programme will follow. The bonds will be listed on London Stock Exchange's International Securities Market and 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. 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).

### ▶ Qatar National Bank launched a USD650mn Formosa bond

Qatar National Bank has launched a USD650mn 5-year floating rate note (FRN) under its USD30bn medium-term note programme. The senior unsecured notes, issued by QNB Finance Ltd and guaranteed by Qatar National Bank, are structured as Regulation S registered notes and will pay a quarterly coupon of SOFR plus 80bp. The notes will be listed on the Taipei Exchange and the London Stock Exchange. The issuance targets professional investors under Taipei Exchange rules, with ICMA/FCA stabilisation applying. Clearing will be through Euroclear and Clearstream. (Source: Zawya).

# GCC Weekly Market View

Investment Strategy | January 21, 2026

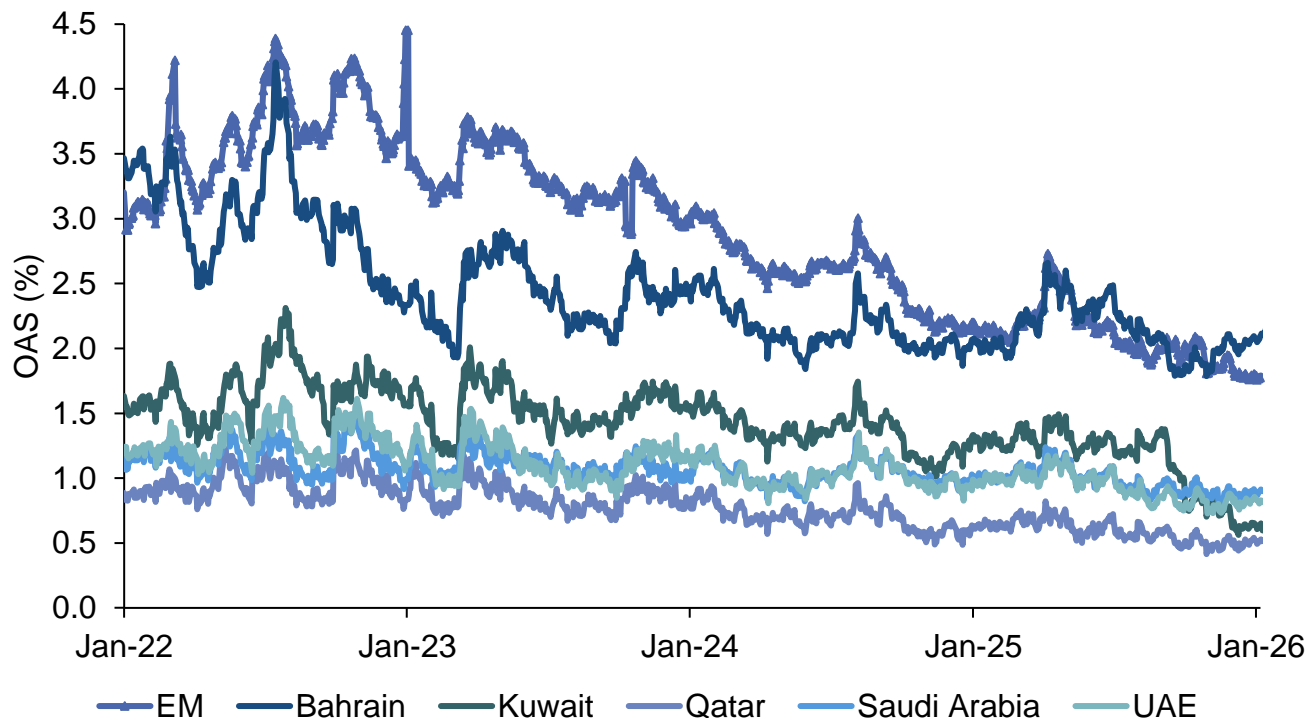
## GCC bond issuances

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg <sup>^</sup>	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
AL Rajhi Tier 1 Sukuk Ltd	RJHIAB	Financial Institutions	SA	1000	6.15	-	PERP/CALL	USD	1/14/2026	Baa3	6.16	6.10
Dhafrah Pv2 Energy Co LLC	DHAENE	Agency	AE	870.75	5.794	6/30/2053	SINKABLE	USD	1/15/2026	-	5.69	-
STC Sukuk Co II Ltd	STCAB	Agency	SA	1250	5.083	1/15/2036	CALLABLE	USD	1/15/2026	A+	5.05	5.05
STC Sukuk Co II Ltd	STCAB	Agency	SA	750	4.489	1/15/2031	CALLABLE	USD	1/15/2026	A+	4.53	4.53
BAB Usd At1 Sukuk Ltd	ALBIAB	Financial Institutions	SA	500	6.375	-	PERP/CALL	USD	1/15/2026	-	6.46	6.31
DAE Funding LLC	DUBAEE	Agency	AE	600	4.95	1/15/2033	CALLABLE	USD	1/15/2026	BBB	5.14	5.14
AL Rajhi CD Ltd	RJHIAB	Financial Institutions	SA	250	0	1/15/2027	AT MATURITY	USD	1/15/2026	-	3.53	-
AL Rajhi CD Ltd	RJHIAB	Financial Institutions	SA	500	0	1/19/2027	AT MATURITY	USD	1/20/2026	-	3.53	-

\*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

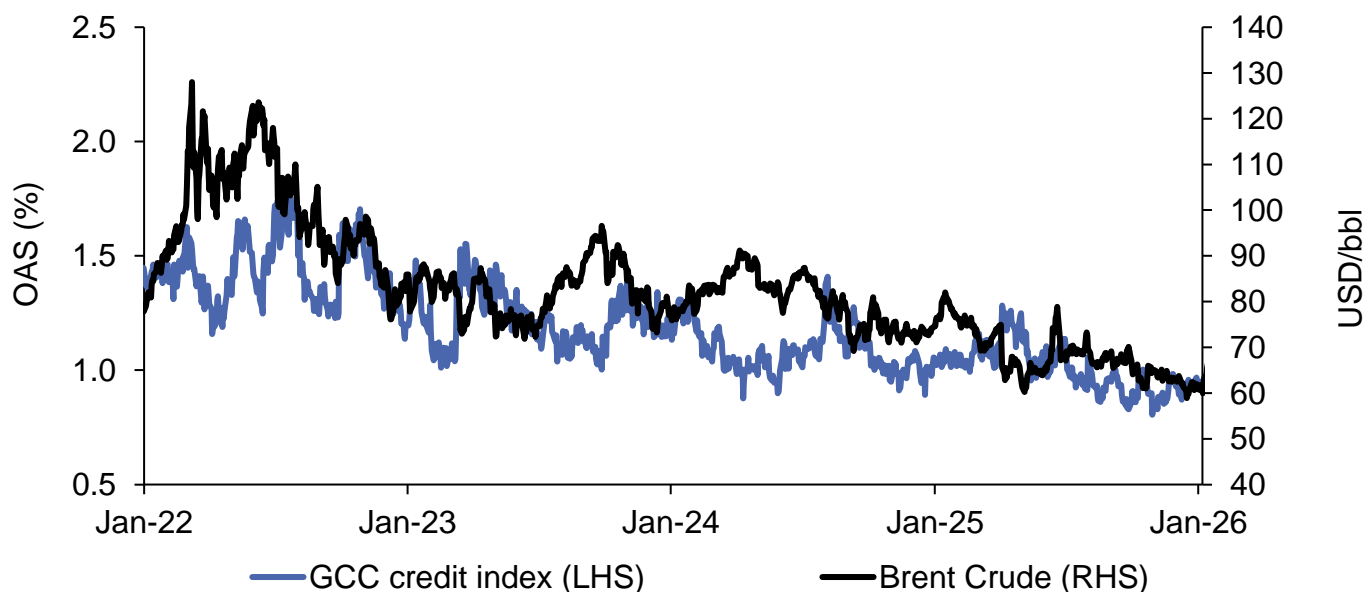
## Appendix

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



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

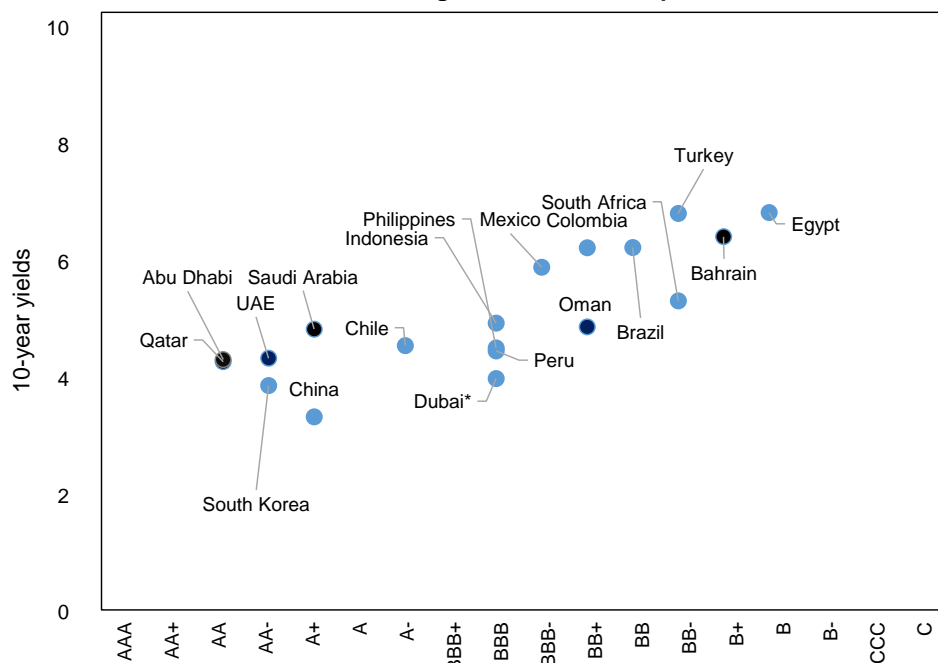
### GCC corporate OAS spread versus Brent Crude



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

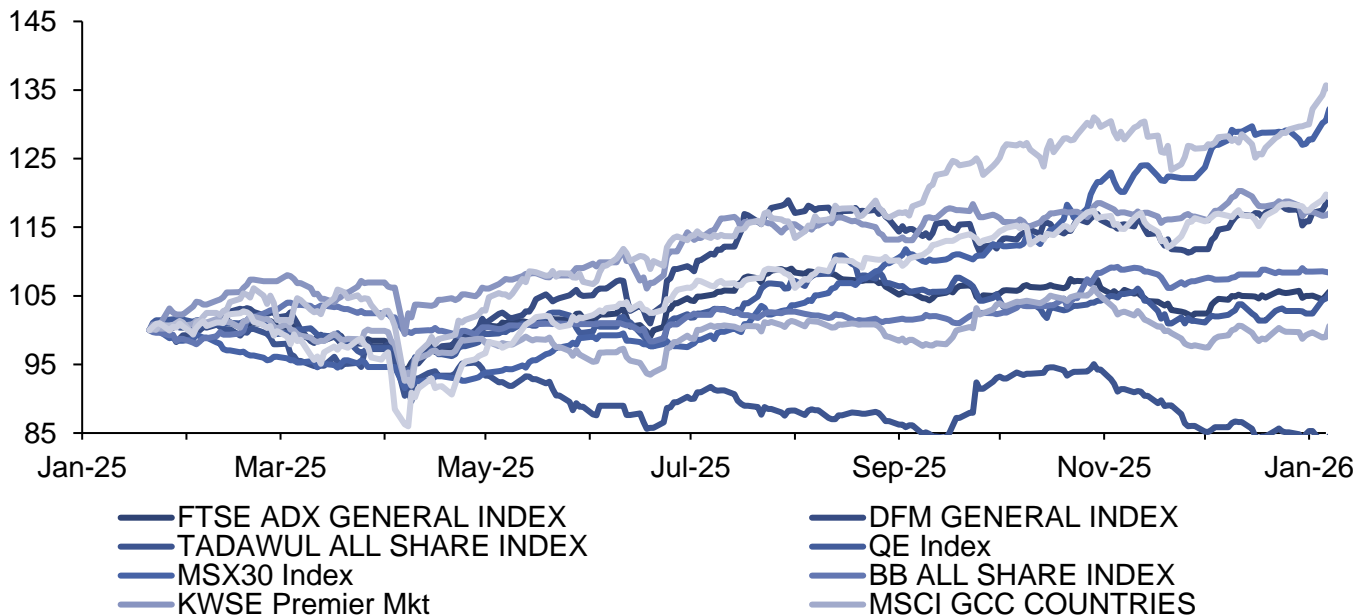
## GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	11.9x	38.8%	2.3%
DFM	11.6x	-	4.5%
Tadawul	16.7x	3.1%	3.5%
DSM	12.1x	-3.2%	4.4%
MSM30	11.8x	-	5.0%
BHSE	14.7x	-	3.7%
KWSE	17.9x	-13.3%	3.4%
MSCI GCC	14.0x	9.8%	3.9%
MSCI EM	16.7x	11.3%	2.2%
MSCI ACWI	22.2x	12.4%	1.7%

Notes: \*data as of 21 January 2026 | Source: Bloomberg, ADCB

## GCC equity 1Y Performance

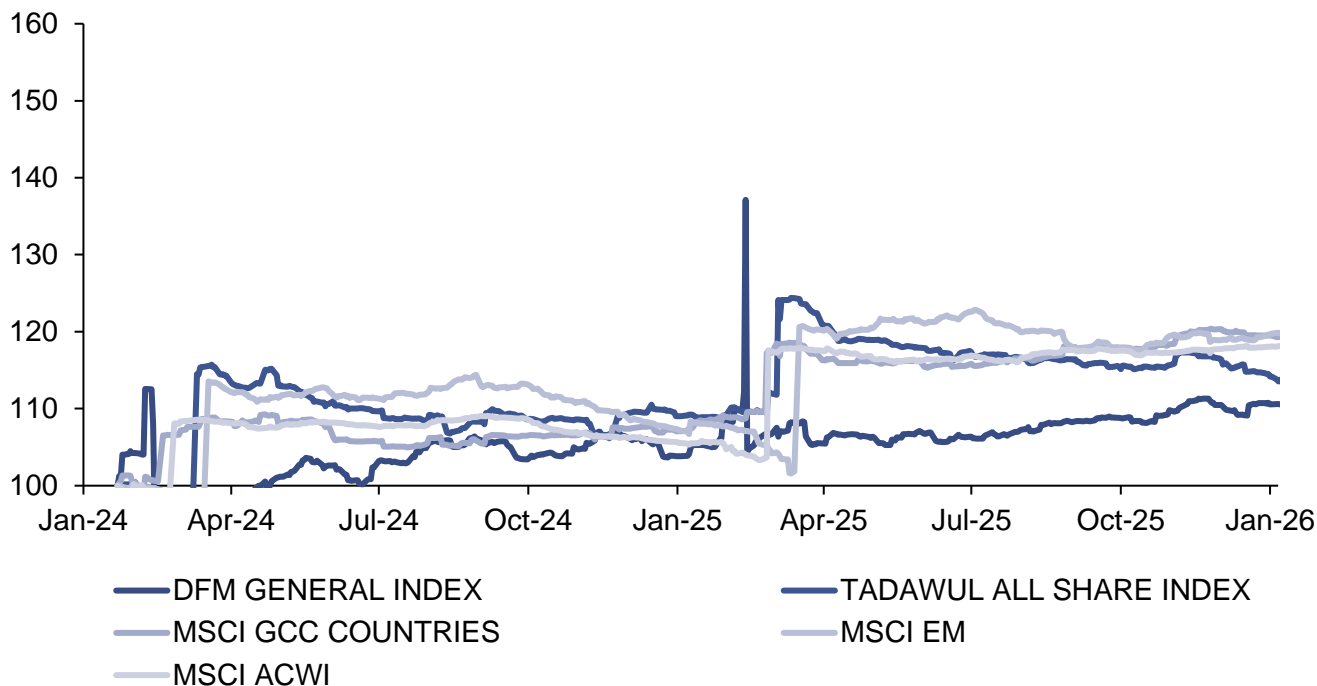
### 1Y performance



Source: Bloomberg, ADCB

## GCC equity 12m forward PE

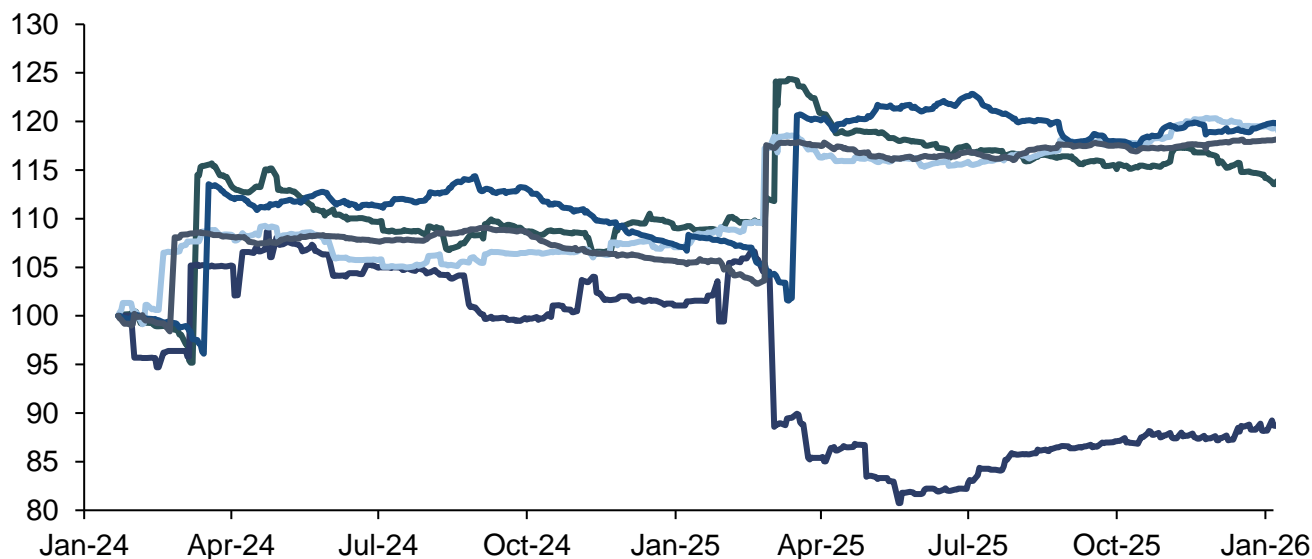
### 12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

## GCC equity 12m forward EPS

12 month forward EPS (indexed to 100 at start)

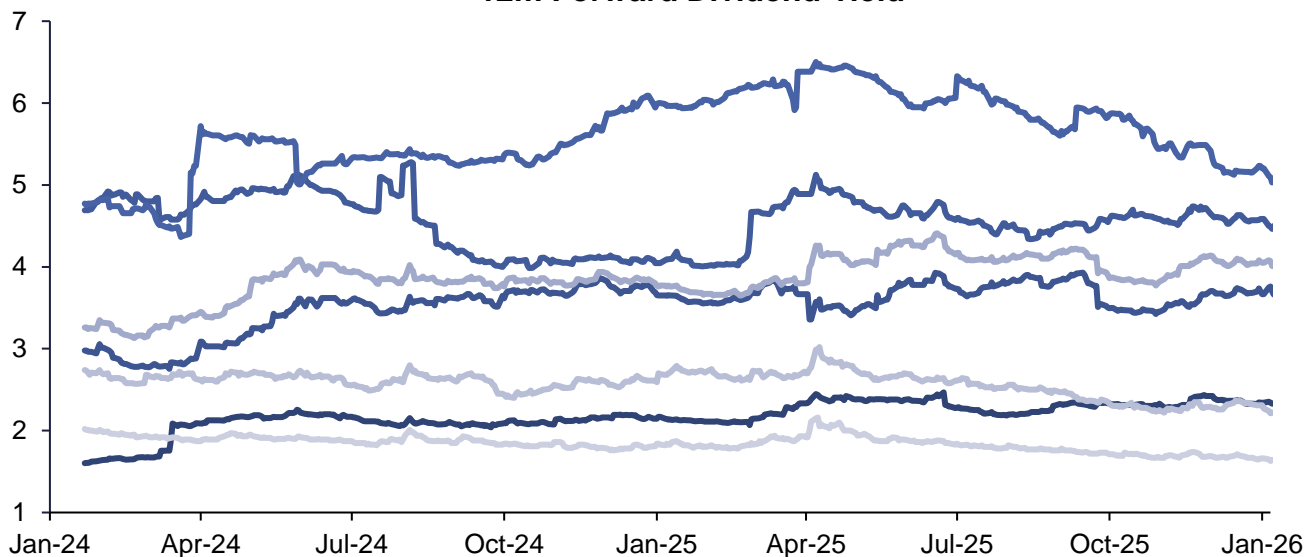


- TADAWUL ALL SHARE INDEX
- MSCI GCC COUNTRIES
- MSCI ACWI
- KWSE Premier Mkt
- MSCI EM

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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