

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index posted gains for the week ending 27th January. The Global Aggregate index gained (+1.2%) and Global Treasuries also posted gains (+1.48%). In credit, Both Global corporate IG index and Global HY index posted positive gains last week. EM USD bonds recorded gains. Led by LatAm (+0.62%). All GCC bond indices declined over the week, except for Bahrain. Qatar, UAE, and Oman underperformed the most. 5Y sovereign CDS spreads ended mixed, widened across Saudi Arabia, Abu Dhabi, Dubai, Qatar, and Kuwait markets, while it tightened in Oman and Bahrain. In the USD sovereign market, the 10yr bond yields declined across all GCC markets, except for Bahrain and Saudi Arabia.

GCC equities

GCC regional indices gained over the week –Saudi Arabia, UAE, and Oman outperformed the most. Qatar also posted marginal gains, while Kuwait and Bahrain underperformed. Overall, MSCI GCC posted gains (+3.25%), underperforming MSCI EM, but outperforming MSCI ACWI.

GCC key macro developments

- ▶ GCC central banks hold interest rates following Fed pause.
- ▶ Saudi Arabia's GDP expands 4.8% in Q3 on strength in non-oil sectors.
- ▶ Oman's inflation eased to 1.6% YoY in December 2025.

GCC corporate news

- ▶ Saudi Aramco raises USD4bn via multi-tranche bond sale.
- ▶ Energy Development Oman issues USD650mn 10-year sukuk.
- ▶ QNB Group completes largest QAR-denominated bond issuance.
- ▶ Bahrain prices USD2.1bn dual-tranche sukuk and bond.
- ▶ FAB plans issuance of USD-denominated 5-year Formosa bond.
- ▶ ADCB reported a record profit before tax of AED12.8bn in 2025.
- ▶ Emirates NBD achieves highest-ever annual profit, proposes 100 fils dividend.
- ▶ ADIB recorded a net profit of AED8.1bn before tax for 2025.
- ▶ FAB posted a net profit of AED21.2bn.

GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	506.8	1.23	9.53	Saudi	4.72	-17.30	-69.99
Global Treasuries	210.7	1.48	8.18	UAE	3.48	-6.95	-95.79
EM USD Agg TR	1392.6	0.43	11.52	Kuwait	3.56	0.00	-37.50
EM LatAm TR	1292.8	0.62	14.14	Bahrain	4.97	-1.32	-71.49
EM EMEA TR	409.4	0.34	11.12	Oman	4.48	-	-43.75
EM Asia TR	706.4	0.30	8.80	Qatar	3.98	-	-67.50
Bahrain TR	221.4	-0.33	8.96	US SOFR	3.66	3.00	-74.00
Oman TR	172.7	0.22	10.54	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	168.1	0.12	7.17	Saudi Arabia	73.72	4.00	-8.92
Qatar TR	148.5	0.28	8.03	Abu Dhabi	32.07	1.85	11.84
Saudi Arabia TR	153.4	0.15	8.81	Dubai	55.48	0.83	7.26
UAE TR	155.0	0.22	8.70	Kuwait	55.27	0.3	1.7
Equity	Latest	-1w %	YTD %	Bahrain	200.08	-0.05	-11.81
ADX	10393.7	1.47	11.08	Oman	80.43	-1.93	21.84
DFM	6514.0	1.07	25.47	Qatar	29.52	0.38	14.51
Tadawul	11458.1	3.96	-5.96	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	11373.1	0.61	6.75	Saudi Arabia	4.77	0.50	-63.20
MSM30	6361.5	1.36	37.13	Abu Dhabi	4.32	-1.50	-70.10
BHSE	2052.3	-0.11	3.58	Dubai	4.09	-0.40	-73.40
KWSE	9308.0	-0.56	19.72	Bahrain	6.57	13.70	-38.90
MSCI GCC	801.0	3.25	9.66	Oman	4.87	-2.30	-86.90
MSCI EM	1556.8	3.28	42.75	Qatar	4.28	-2.20	-55.40
MSCI ACWI	1051.7	2.18	25.14				

Note: data from 21st January 2025 to 27th January 2026. Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Mohammed Al Hemeiri

Senior Specialist

Tel: +971 (0) 281 264 50

mohammed.alhemeiri@adcb.com

Kishore Muktinutalapati

Head - Investment Strategy

Tel: +971 (0) 281 264 57

kishore.muktinutalapati@adcb.com

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Developments

► **GCC central banks hold interest rates following Fed pause**

Central banks across the GCC maintained their policy interest rates after the US Federal Reserve left rates unchanged at its first meeting of the year. Given the region's currency pegs to the US dollar, GCC monetary authorities typically mirror Fed policy decisions. In the UAE, the central bank kept the overnight deposit facility rate at 3.4%. Qatar's central bank also left its key rates unchanged, with the deposit rate at 3.85%, lending rate at 4.35%, and repo rate at 4.1%. Bahrain's central bank maintained its overnight deposit rate at 4.45%. (Source: *The Arab today*).

► **Saudi Arabia's GDP expands 4.8% in Q3 on strength in non-oil sectors**

Saudi Arabia's economy continued to grow steadily toward the end of 2025, supported by solid domestic demand, broad-based expansion in non-oil activities, and improving trade conditions. According to data from the Ministry of Economy and Planning and other official institutions, real GDP increased by 4.8% year-on-year in the third quarter of 2025. The expansion was led by non-oil activities, which grew by 4.3% annually, while oil-related activities recorded a stronger increase of 8.3%. (Source: *Zawya*).

► **Oman's inflation eased to 1.6% YoY in December 2025**

Oman's inflation eased to 1.6% YoY in December 2025, down from 1.7% in November, according to the National Centre for Statistics and Information (NCSI). Average inflation for full-year 2025 stood at 1%. Price pressures in December were driven primarily by miscellaneous personal goods and services, which rose 10% YoY, followed by transport (+2.8%), restaurants and hotels (+2.6%), furniture and household equipment (+2.4%), and education (+2.2%). Food and non-alcoholic beverages increased modestly by 1.1% YoY, while clothing and footwear (+0.2%) and health (+0.1%) recorded limited gains. In contrast, culture and entertainment prices declined by 0.1%, and prices for housing, utilities, tobacco, and communications remained unchanged. Within the food category, prices for fish and seafood (+6%), fruits (+4%), and dairy products (+2.1%) rose, while vegetable prices fell sharply by 5.8%. (Source: *Zawya*).

► **Saudi Aramco raises USD4bn via multi-tranche bond sale**

Saudi Aramco raised USD4bn through a multi-tranche US dollar bond issuance, with investor demand exceeding USD21bn at launch. The transaction included taps across 3-years, 5- years, 10- years, and 30-year tenors, with pricing tightening significantly from initial price thoughts. The 3-year tranche raised USD500mn at T+60bp, the 5-year USD1.5bn at T+80bp, the 10-year USD1.25bn at T+95bp, and the 30-year USD750mn at T+130bp. Coupons ranged from 4.0% to 6.0%, with strong order books across all tranches. The bonds will be listed on the London Stock Exchange's Main Market. (Source: *Zawya*)

► **Energy Development Oman issues USD650mn 10-year sukuk**

Energy Development Oman (EDO) issued a USD650mn 10-year sukuk, maturing in January 2036, priced at a 5.14% profit rate, equivalent to a 100bp spread over US Treasuries. The transaction marks the tightest pricing achieved by an Omani government-related entity and represents EDO's third US-dollar sukuk issuance. Pricing compared favourably with the company's earlier 10-year and 7-year issuances in 2023 and 2024, reflecting strong investor demand despite challenging global market conditions. The sukuk attracted diversified participation from investors across Asia, Europe, the GCC, the UK and the US. (Source: *Zawya*).

► **QNB Group completes largest QAR-denominated bond issuance**

QNB Group completed the largest Qatari riyal-denominated bond issuance by a financial institution in the local debt market, with a total size of QAR1bn. The 1-year bond, offered exclusively to international investors, was priced at a 4% coupon and attracted strong demand from a diversified global investor base, highlighting confidence in QNB's credit profile and Qatar's financial system. (Source: *Zawya*).

► **Bahrain prices USD2.1bn dual-tranche sukuk and bond**

The Kingdom of Bahrain priced a USD2.1bn dual-tranche US dollar issuance, comprising an USD800mn long 8-year sukuk and a USD1.3bn 12-year conventional bond. The sukuk was priced at a 6.124% coupon, while the 12-year bond was priced at a 7.10% coupon, with both tranches tightening meaningfully from initial price thoughts. Final order books exceeded USD3.7bn for the sukuk and USD4.4bn for the bond, reflecting strong investor demand. Both instruments will be listed on the London Stock Exchange's Main Market. (Source: *Zawya*).

▶ **FAB plans issuance of USD-denominated 5-year Formosa bond**

First Abu Dhabi Bank is marketing a five-year floating-rate Formosa bond denominated in US dollars, with final price guidance set at SOFR plus 75bp. This marks the bank's second foray into debt markets this year, following its USD750mn 5-year Eurobond issuance in January, which carried a fixed coupon of 4.299%. (Source: Zawya).

▶ **ADCB reported a record profit before tax of AED12.8bn in 2025.**

Abu Dhabi Commercial Bank (ADCB) reported a record profit before tax of AED12.8bn in 2025, representing a 21% YoY increase and marking its 18th consecutive quarter of profit growth. Net profit after tax rose 22% to AED11.4bn for the year. In Q4 profit before tax climbed 30% to AED3.7bn, while net profit after tax reached AED3.3bn, extending the bank's strong growth momentum. (Source: Zawya).

▶ **Emirates NBD achieves highest-ever annual profit, proposes 100 fils dividend**

Emirates NBD delivered its strongest annual results on record in 2025, reporting profit before tax of AED29.8bn, up 10% year-on-year. Growth in lending, deposits, and fee income helped offset the impact of lower global interest rates. Total income rose 12% to AED49.3bn, while net profit reached AED24bn and operating profit increased 13% to AED34.3bn. The board proposed an ordinary dividend of 100 fils per share (Source: Zawya).

▶ **ADIB recorded a net profit of AED8.1bn before tax for 2025**

Abu Dhabi Islamic Bank (ADIB) reported a record financial performance in 2025, underpinned by balance sheet expansion, strong business momentum, and continued customer growth. Net profit before tax rose 18% YoY to a record AED8.1bn for the full year. Q4 profit before tax increased by 25% to AED2.05bn. Net profit after tax reached AED7.1bn for the year, up 16%, while Q4 net profit after tax climbed 20% to AED1.75bn. (Source: Zawya).

▶ **FAB posted a net profit of AED21.2bn**

First Abu Dhabi Bank (FAB) posted a 22% YoY increase in net profit for Q4 of 2025, driven by strong operating performance and rising non-interest income. Net profit for Q4 reached AED5.1bn. For the full year, net profit climbed to a record AED21.1bn, supported by a 36% surge in non-interest income. Reflecting its strong results, the bank proposed a cash dividend of 80 fils per share. (Source: Zawya).

GCC Weekly Market View

Investment Strategy | January 29, 2026

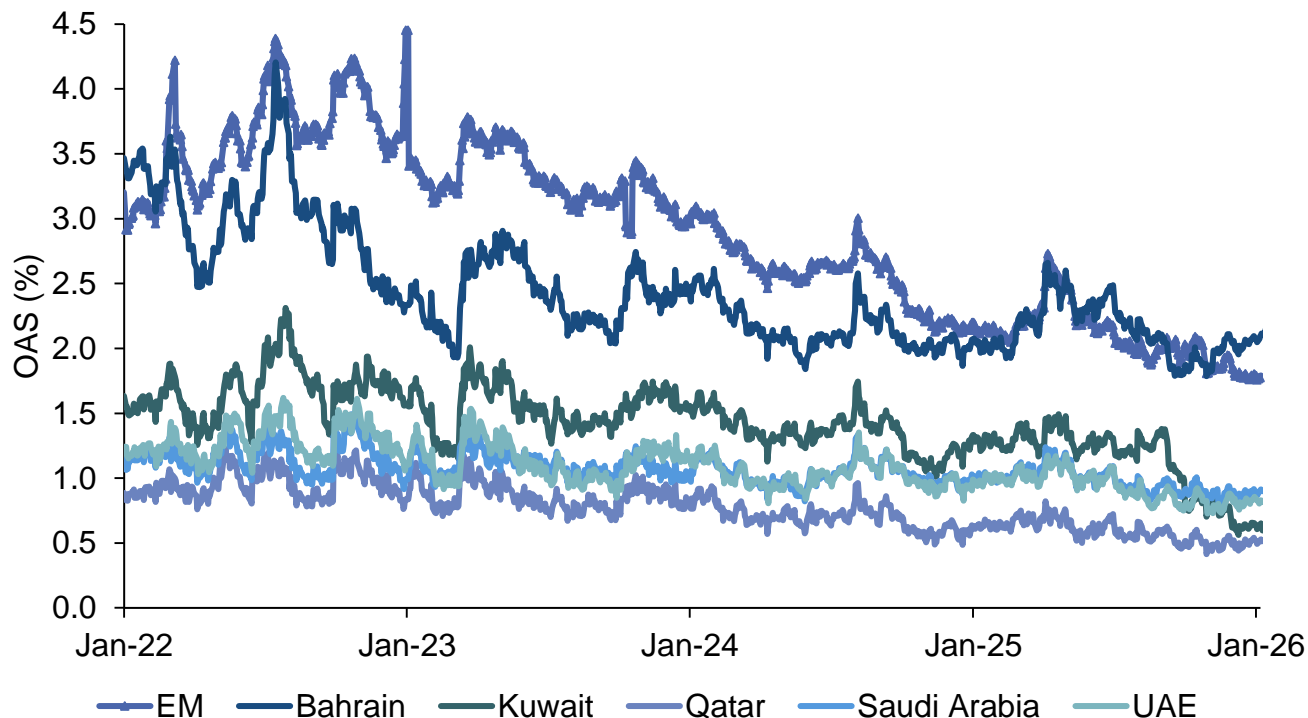
GCC bond issuances

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
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	-
EDO Sukuk Ltd	ENEDEV	Agency	OM	650	5.14	1/22/2036	AT MATURITY	USD	1/22/2026	BBB-	5.21	-
Saudi Electricity Sukuk Programme Co	SECO	Agency	SA	500	4.31	1/22/2029	AT MATURITY	USD	1/22/2026	Aa3	4.43	-
Saudi Electricity Sukuk Programme Co	SECO	Agency	SA	700	4.518	1/22/2032	AT MATURITY	USD	1/22/2026	Aa3	4.68	-
Saudi Electricity Sukuk Programme Co	SECO	Agency	SA	1200	5.065	1/22/2036	AT MATURITY	USD	1/22/2026	Aa3	5.14	-
Alinma Sukuk Ltd	ALINMA	Financial Institutions	SA	300	5.873	1/23/2036	CALLABLE	USD	1/23/2026	BBB-	5.89	5.87
Suci Second Investment Co	PIFKSA	Agency	SA	2000	5.133	1/28/2036	AT MATURITY	USD	1/28/2026	A+	5.19	-

*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

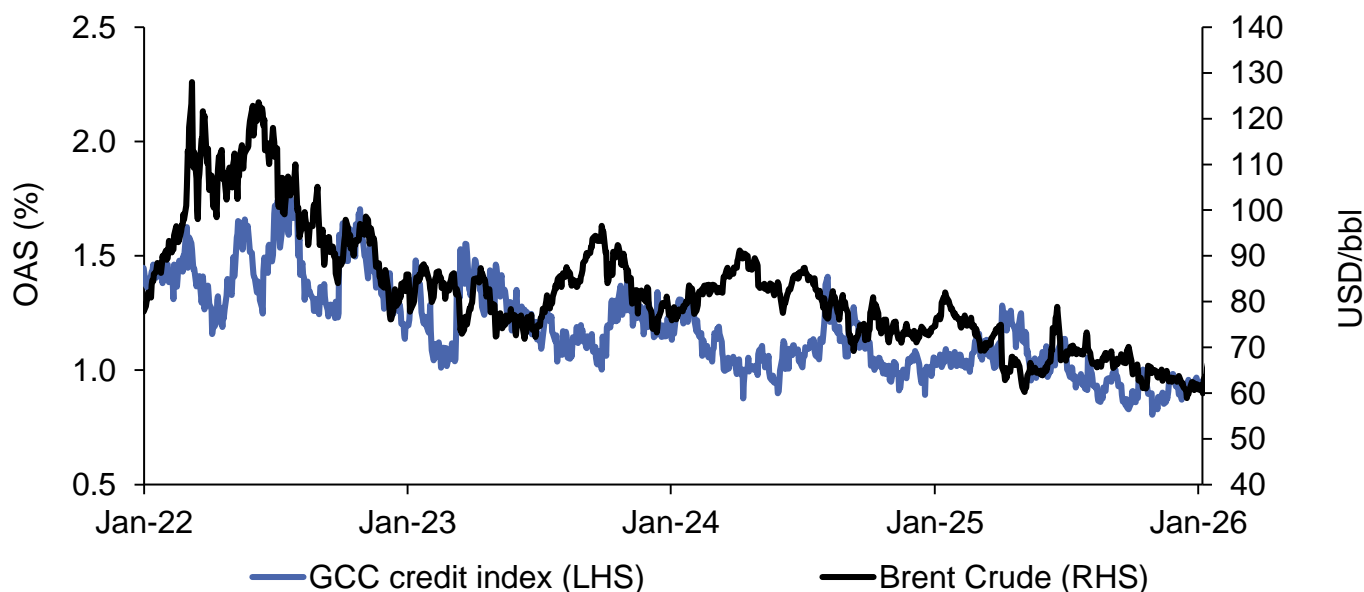
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

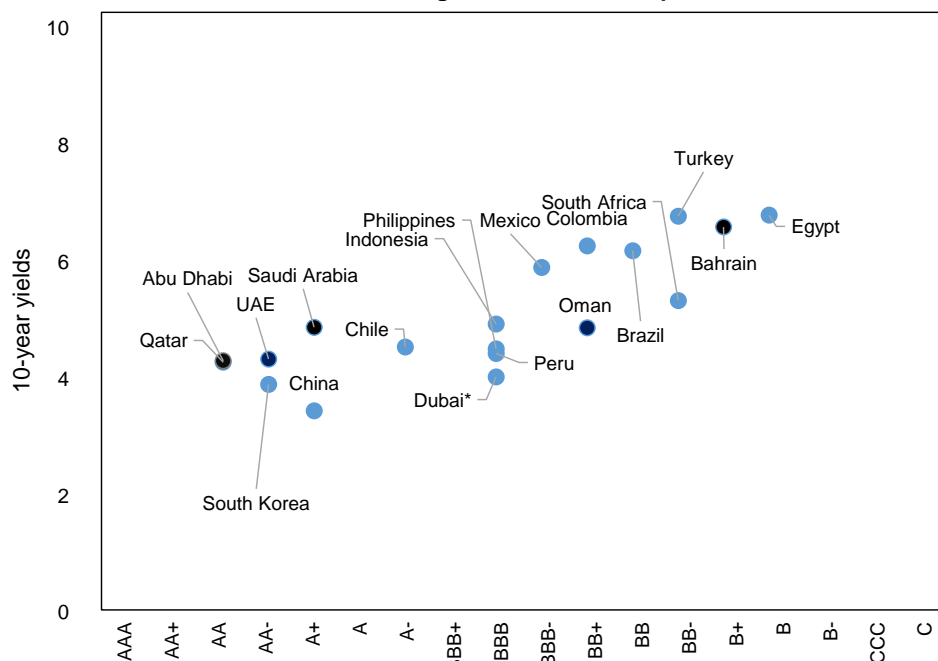
GCC corporate OAS spread versus Brent Crude



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

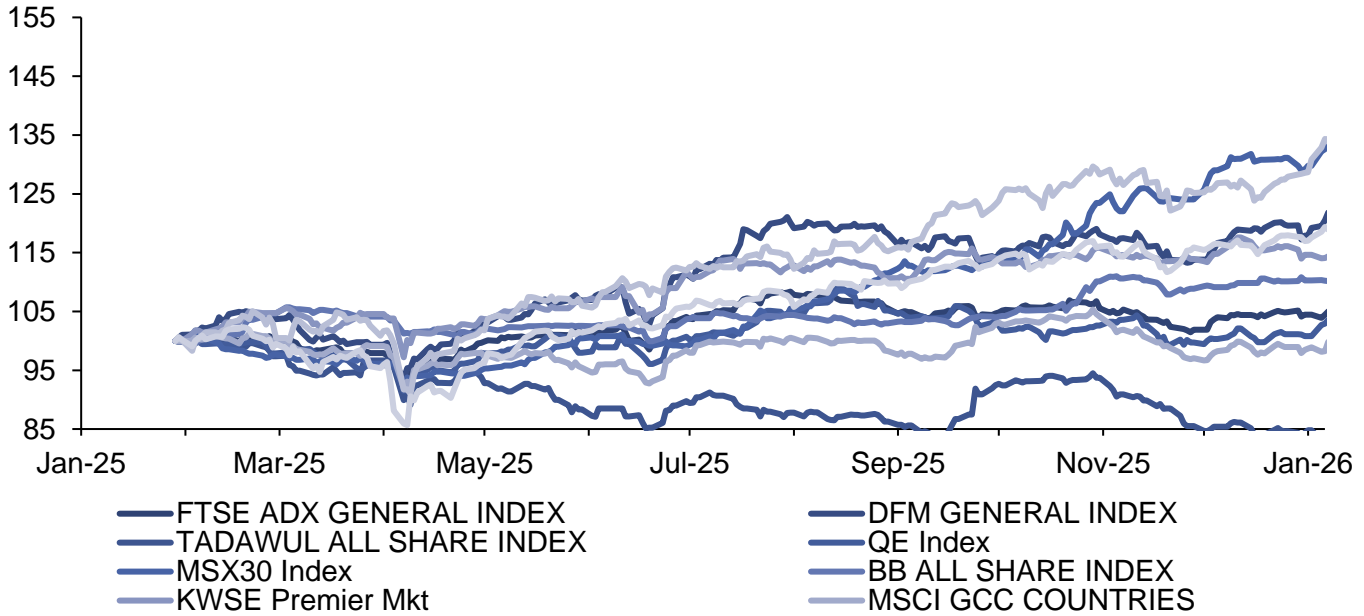
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	12.1x	39.5%	2.2%
DFM	11.2x	-	4.4%
Tadawul	17.6x	2.6%	3.3%
DSM	12.4x	-5.0%	4.3%
MSM30	12.1x	-	4.9%
BHSE	14.7x	-	9.3%
KWSE	18.1x	-12.7%	3.4%
MSCI GCC	14.3x	10.2%	3.7%
MSCI EM	17.1x	12.0%	2.1%
MSCI ACWI	22.5x	12.4%	1.6%

Notes: *data as of 29 January 2026 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

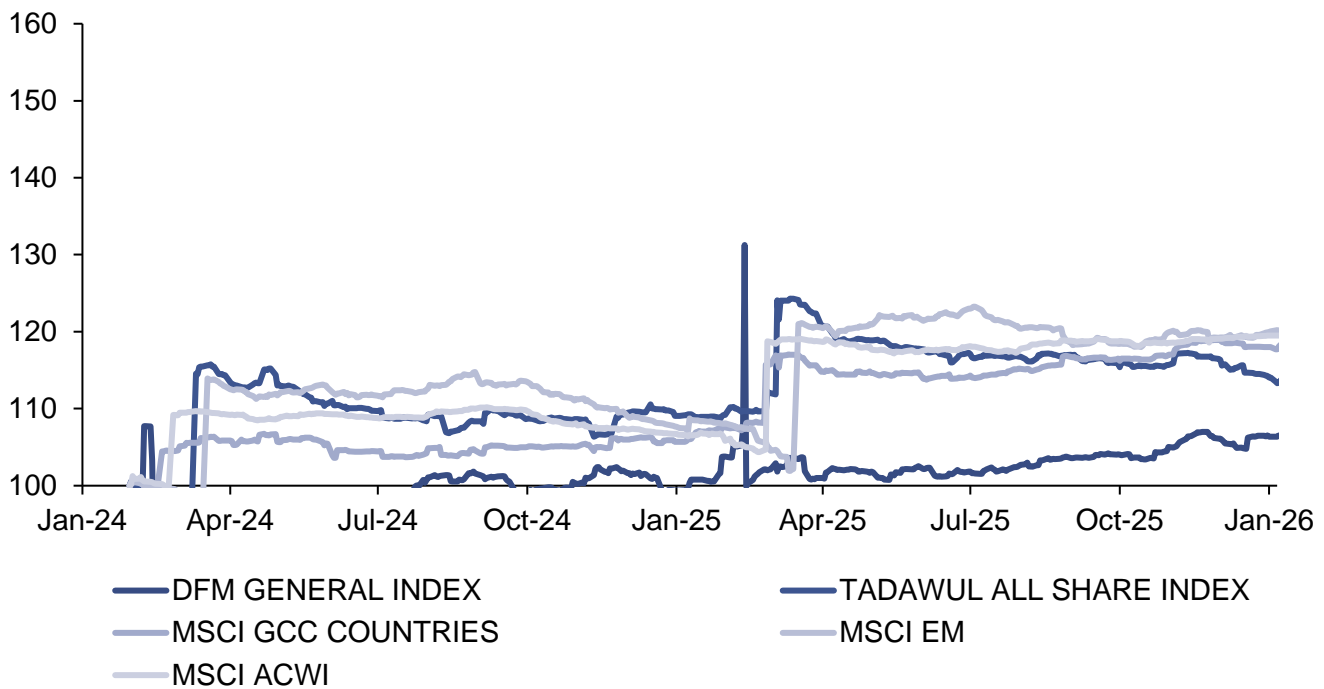
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

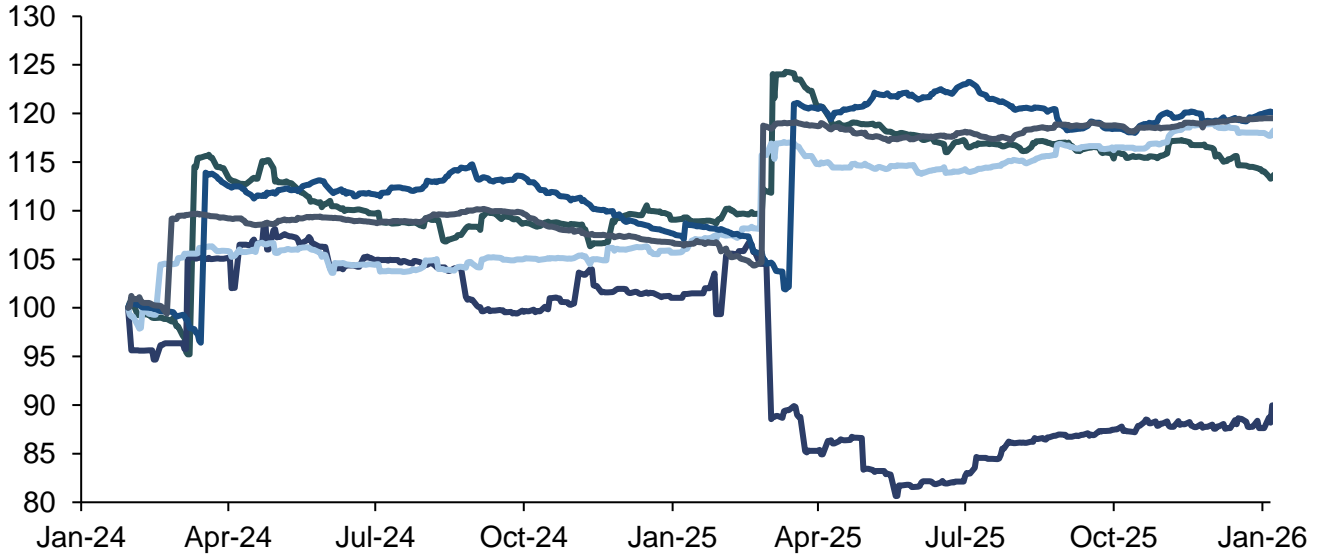
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

12 month forward EPS (indexed to 100 at start)

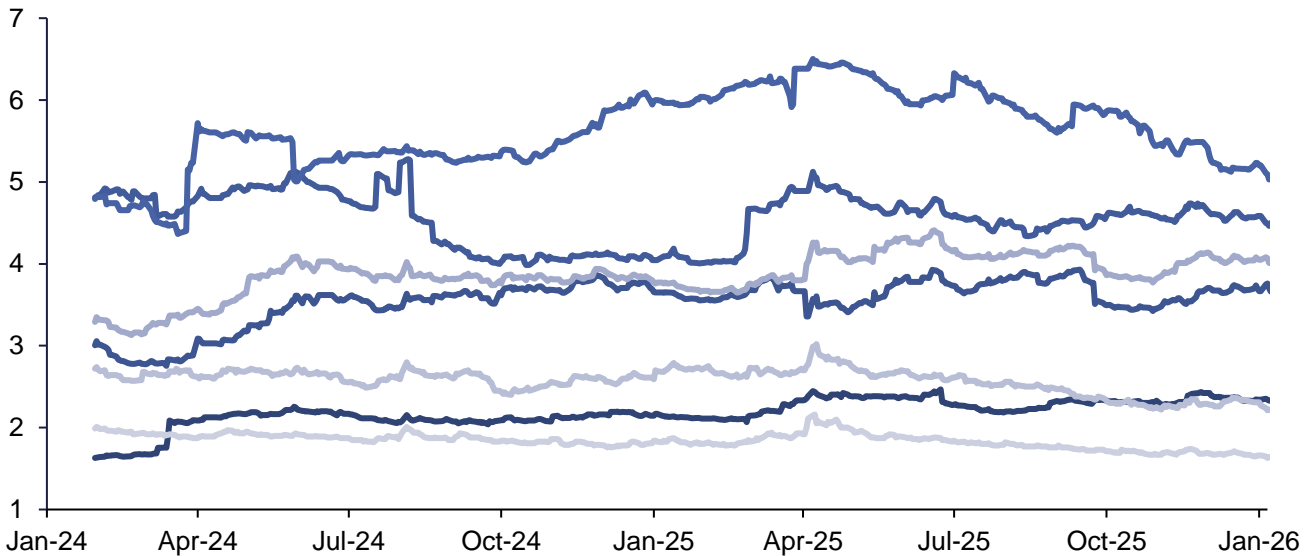


- TADAWUL ALL SHARE INDEX
- MSCI GCC COUNTRIES
- MSCI ACWI
- KWSE Premier Mkt
- MSCI EM

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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