

GCC market performance

GCC fixed income:

Global benchmark bond index rose throughout the week (ending 10th of July 2024). Global Aggregate index rose 0.30% led by Global Treasuries which rose 0.25%. EM USD bonds recorded gains as well, led by EM LatAm. All GCC bond indices recorded positive returns with Oman and Bahrain outperforming the most. 5yr CDS spreads tightened across all the GCC countries. In the USD sovereign market, the 10yr bond yields fell across all the GCC countries, led by Oman.

GCC equities:

Most regional indices recorded gains the exception of Bahrain and Dubai. Kuwait outperformed rising (2.20%). Bahrain stocks underperformed for the second week, posting loss of (0.33%). MSCI GCC rose (1.40%), outperforming MSCI ACWI (0.61%) but underperforming MSCI EM (1.77%).

GCC key developments:

- Abu Dhabi's non-oil GDP up 59% in 10 years.
- Dubai PMI signals a moderating growth trend across the non-oil private sector.

GCC bond issuances:

- Sharjah government plans to raise EUR500mn through sustainable sukuk.
- Saudi Aramco returns to debt market with three-tranche dollar bond sale.
- First Abu Dhabi Bank gives initial guidance for USD750mn debt sale.

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GCC Weekly Market Performance

Index				Rates			
	Latest	-1w %	YTD %		Latest	-1w (bp)	YTD (bp)
Fixed Income				3M interbank			
Global Agg	459.3	0.30	-1.6	Saudi	6.2	0.62	-0.6
Global Treasuries	193.4	0.25	-3.3	UAE	5.3	6.98	-12.4
EM USD Agg TR	1203.9	0.49	3.7	Kuwait	4.3	0.00	0.0
EM LatAm TR	1064.8	0.52	5.3	Bahrain	6.4	0.00	-17.2
EM EMEA TR	358.6	0.48	3.3	Oman	5.8	5.60	-24.0
EM Asia TR	634.8	0.47	2.6	Qatar	6.0	0.00	-10.0
Bahrain TR	197.3	0.38	4.0	US SOFR	5.3	-1.00	-7.0
Oman TR	152.6	0.40	2.1	5Y Sov. CDS			
Kuwait TR	151.7	0.10	2.3	Saudi Arabia	52.96	-2.10	-1.4
Qatar TR	136.0	0.30	1.2	Abu Dhabi	41.30	-1.00	-2.5
Saudi Arabia TR	139.2	0.19	0.6	Dubai	65.75	-1.30	-
UAE TR	140.1	0.25	1.3	Kuwait	72.13	-0.10	17.1
Equity				Bahrain	185.29	-2.00	-27.4
ADX	9138.4	0.46	-6.0	Oman	106.17	-0.60	-20.1
DFM	4095.3	-0.02	0.0	Qatar	41.16	-1.10	-5.7
Tadawul	11770.7	1.59	-1.2	10Y yield			
DSM	10161.6	1.12	-2.1	Saudi Arabia	5.2	-0.10	46.5
MSM30	4695.6	0.12	2.4	Abu Dhabi	4.7	-5.00	46.7
BHSE	1994.6	-0.33	1.8	Dubai	4.4	-3.10	-29.0
KWSE	7717.8	2.20	1.4	Kuwait	5.0	-3.40	72.2
MSCI GCC	684.2	1.40	-4.2	Bahrain	6.6	-6.00	-13.2
MSCI EM	1111.7	1.77	10.8	Oman	5.6	-7.10	14.8
MSCI ACWI	817.8	0.61	14.5	Qatar	4.7	-4.50	42.7

Note: data from 3rd July 2024 to 9th July 2024, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Saudi Aramco returns to debt market with three-tranche dollar bond sale

Saudi Aramco returns to the international bond markets for the first time in three years. The bond sale consists of 10-year, 30-year and 40-year bonds. The initial pricing target is set at 140bp for 10-year, 180bp for 30-year and 195bp for the 40-year bonds above similar maturity US treasuries. Aramco plans to raise at least USD3bn from the bond sale.

(Source: Bloomberg)

Sharjah government plans to raise EUR500mn through sustainable sukuk.

The government of Sharjah aims to raise approximately EUR500mn through an auction of 6.5 year sustainable sukuk. The initial pricing target is set at 220bp over the mid-swap.

(Source: Zawya)

First Abu Dhabi Bank gives initial guidance for USD750mn debt sale.

First Abu Dhabi Bank has given initial price guidance for the sale of USD750mn Tier 2 capital securities according to a document on Tuesday. It gave initial guidance of about 185bp over US Treasuries for the 10.5-year debt transaction, non-callable for 5.5 years.

(Source: Zawya)

Abu Dhabi's ADQ lists debut USD2.5bn on local bourse.

Abu Dhabi's ADQ, the smallest of the emirate's three sovereign wealth funds, has listed a dual-tranche USD2.5bn bond on the Abu Dhabi Securities Exchange (ADX). The notes were initially listed on the London Stock Exchange in April. The fund sold a USD1.25bn five-year portion at 80 bp over US Treasuries and another 1.2bn 10Y tranche at 90bp over the same benchmark.

(Source: Zawya)

Abu Dhabi's non-oil GDP up 59% in 10 years.

According to the chairman of Abu Dhabi Department of Economic Development, Ahmed Jasim Al Zaabi, "Abu Dhabi's transformation has established the emirate as a preferred destination for talents, investments, and businesses. This is reflected by the recent census results, indicating a growth of non-oil sectors by 59 per cent in a decade to contribute 54 per cent to the GDP compared to 46 per cent in 2011, an increase of high-skilled talents by 109%, and foreign investments by 300%," he stated, at the third edition of Al Multaqa quarterly meetings, which was organized in collaboration with Abu Dhabi Investment Office.

(Source: Zawya)

Dubai PMI continues to signal a moderating growth trend across the non-oil private sector economy.

The Dubai PMI continued to signal a moderating growth trend across the non-oil private sector economy. The headline index slipped to 54.3 in June down from 54.7 in May, but remained in the expansionary territory.

(Source: Zawya)

GCC Weekly Market View

July 10 2024

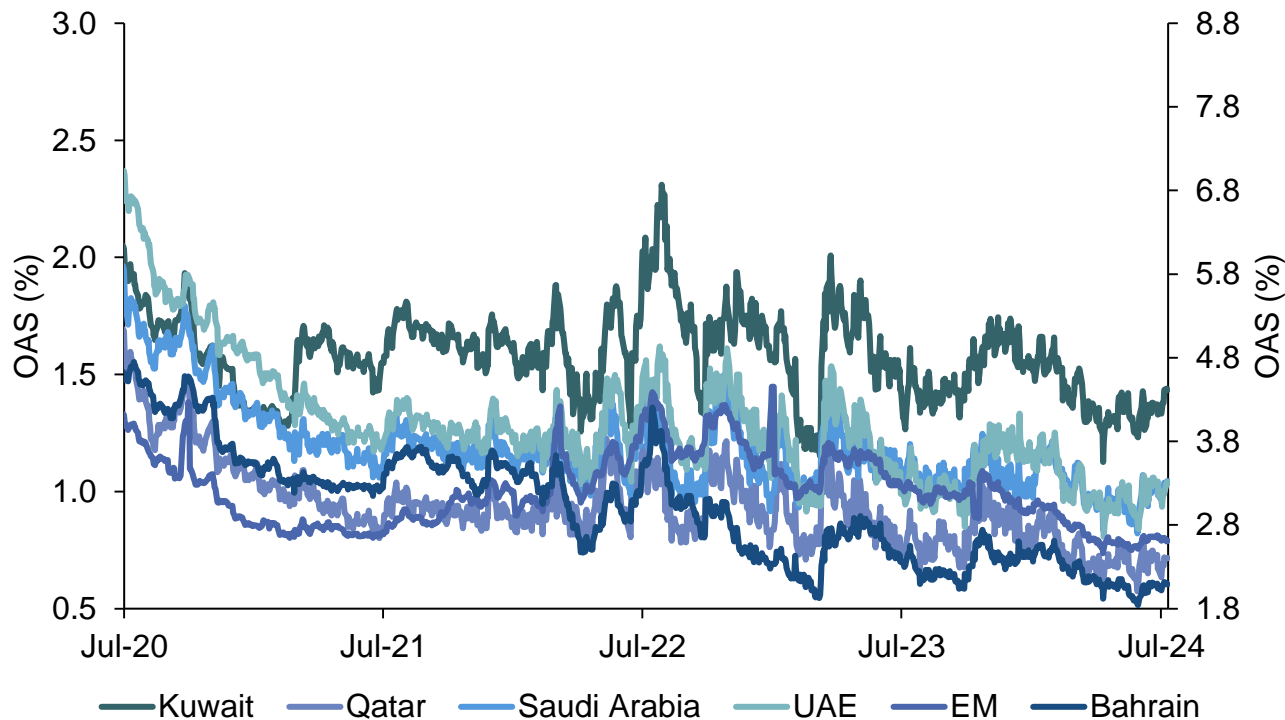
GCC bond issuances table

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
Finance Department Government of	SHJGOV	Sovereign	AE	750	6.125	3/6/2036	AT MATURITY	USD	3/6/2024	A-	6.07	-
Doha Finance Ltd	DHBKQD	Financial Institutions	QA	500	5.25	3/12/2029	AT MATURITY	USD	3/12/2024	A-	5.44	-
CBQ Finance Ltd	COMQAT	Financial Institutions	QA	750	5.375	3/28/2029	AT MATURITY	USD	3/28/2024	A-	5.48	-
MDGH SUKUK LTD	MUBAUH	Financial Institutions	AE	100	4.959	4/4/2034	AT MATURITY	USD	3/26/2024	AA	4.98	-
Abu Dhabi Government	ADGB	Sovereign	AE	1750	5.5	4/30/2054	AT MATURITY	USD	4/30/2024	AA	5.69	-
Abu Dhabi Government	ADGB	Sovereign	AE	1750	4.875	4/30/2029	AT MATURITY	USD	4/30/2024	AA	5.05	-
Abu Dhabi Government	ADGB	Sovereign	AE	1500	5	4/30/2034	AT MATURITY	USD	4/30/2024	AA	5.10	-
KIB Tier 1 Sukuk 2 Ltd	KIBKK	Financial Institutions	KW	300	6.625	-	PERP/CALL	USD	5/1/2024	-	6.48	6.59
Abu Dhabi Developmental	ADQABU	Financials	AE	1250	5.375	05/08/2029	CALLABLE	USD	04/30/2024	AA	5.18	-
Abu Dhabi Developmental	ADQABU	Financials	AE	1250	5.50	05/08/2034	CALLABLE	USD	04/30/2024	AA	5.288	-
EI Sukuk Co Ltd	EIBUH	Agency	AE	750	5.431	5/28/2029	AT MATURITY	USD	5/28/2024	A+	5.41	-
Qatar Government International Bond	QATAR	Sovereign	QA	1500	4.75	5/29/2034	AT MATURITY	USD	5/29/2024	AA	4.80	-
Qatar Government International Bond	QATAR	Sovereign	QA	1000	4.625	5/29/2029	AT MATURITY	USD	5/29/2024	AA	4.79	-
KSA Sukuk Ltd	KSA	Sovereign	SA	1500	5.25	6/4/2030	AT MATURITY	USD	6/4/2024	A+	5.23	-
KSA Sukuk Ltd	KSA	Sovereign	SA	2250	5.25	6/4/2034	AT MATURITY	USD	6/4/2024	A+	5.27	-
MDGH GMTN RSC Ltd	MUBAUH	Agency	AE	750	5.294	6/4/2034	CALLABLE	USD	6/4/2024	AA	5.24	5.24
KSA Sukuk Ltd	KSA	Sovereign	SA	1250	5.25	6/4/2027	AT MATURITY	USD	6/4/2024	A+	5.21	-
Gulf International Bank BSC	GULINT	Agency	BH	500	5.75	6/5/2029	AT MATURITY	USD	6/5/2024	A-	5.82	-
NBK SPC Ltd	NTBKKK	Financial Institutions	KW	500	5.5	6/6/2030	CALLABLE	USD	6/6/2024	A+	5.50	5.33
BBK BSC	BBK	Financial Institutions	BH	500	6.875	6/6/2029	AT MATURITY	USD	6/6/2024	B+	6.92	-
Mashreqbank PSC	MASQUH	Financial Institutions	AE	500	7.125	-	PERP/CALL	USD	6/10/2024		7.02	6.78
Arada Sukuk 2 Ltd	ARADAD	Financial Institutions	AE	400	8	6/24/2029	AT MATURITY	USD	6/24/2024	BB-	7.48	-
UAE INTERNATIONAL GOVERNMENT BOND	UAE	Sovereign	AE	1500	4.857	7/2/2034	AT MATURITY	USD	7/2/2024	AA-	4.94	-
EDO Sukuk Ltd	ENEDEV	Agency	OM	750	5.662	7/3/2031	AT MATURITY	USD	7/3/2024	BB+	5.68	-
SIB Sukuk Co III Ltd	SIB	Financial Institutions	AE	500	5.25	7/3/2029	AT MATURITY	USD	7/3/2024		5.41	-

*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

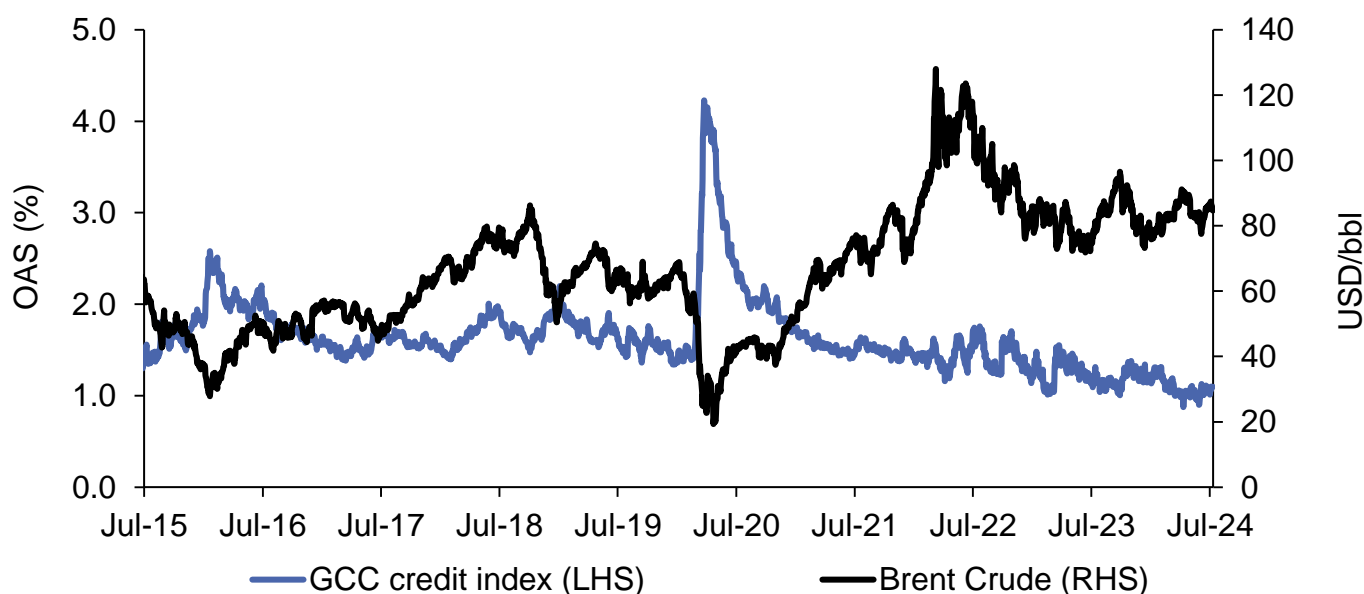
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

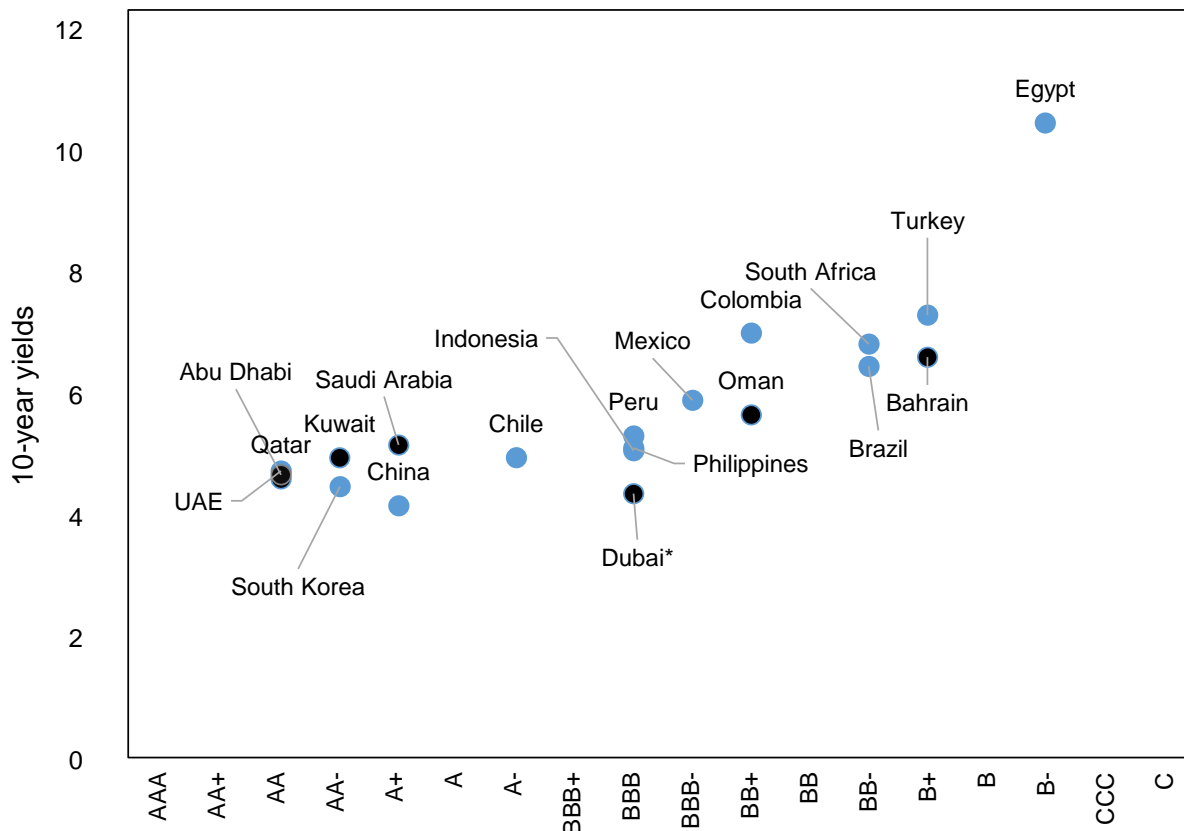
GCC corporate OAS spread versus Brent Crude



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

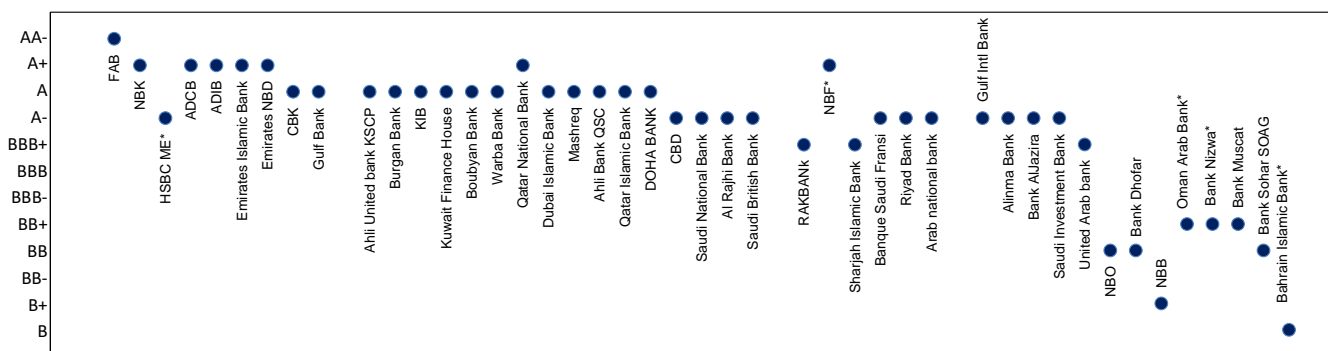
GCC Sovereign Rating

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

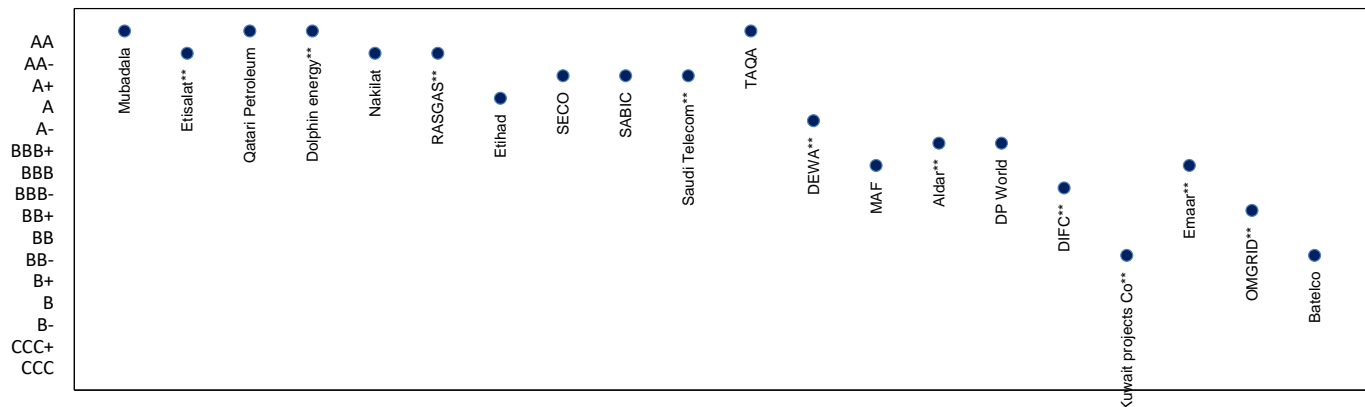
GCC Financials



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

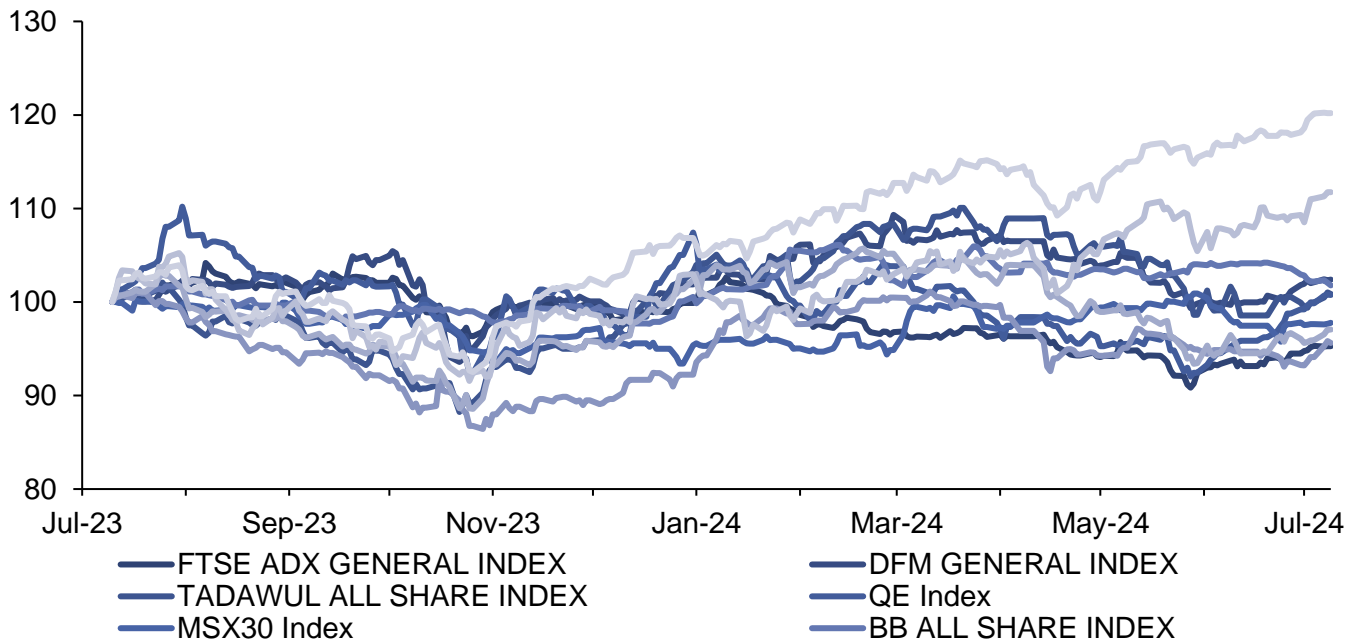
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	14.9x	1.4%	2.1%
DFM	7.9x	19.3%	5.8%
Tadawul	17.2x	1.2%	3.6%
DSM	11.2x	6.4%	4.7%
MSM30	9.4x	-44.1%	5.2%
BHSE	7.6x	-	8.4%
KWSE	12.8x	6.1%	2.8%
MSCI GCC	14.1x	2.8%	3.9%
MSCI EM	13.4x	11.4%	2.5%
MSCI ACWI	19.2x	8.1%	1.8%

Notes: *data as of 10 July 2024
Source: Bloomberg, ADCB

GCC equity 1Y Performance

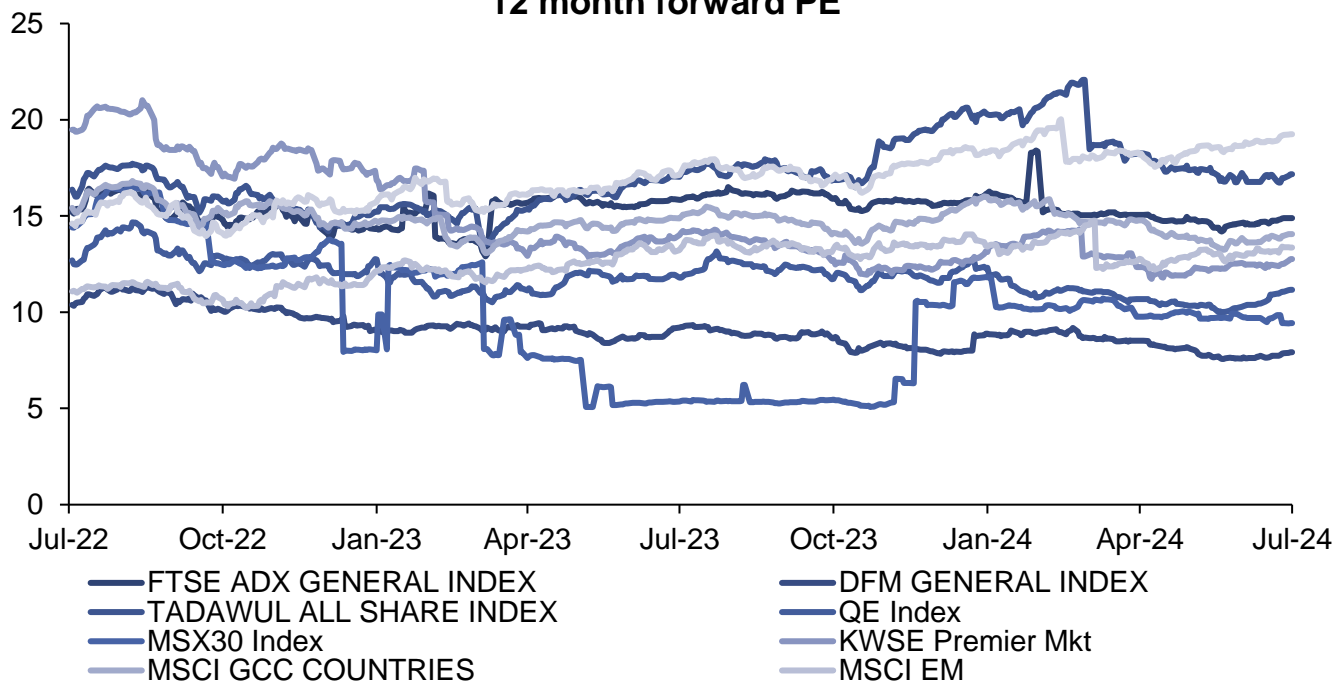
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

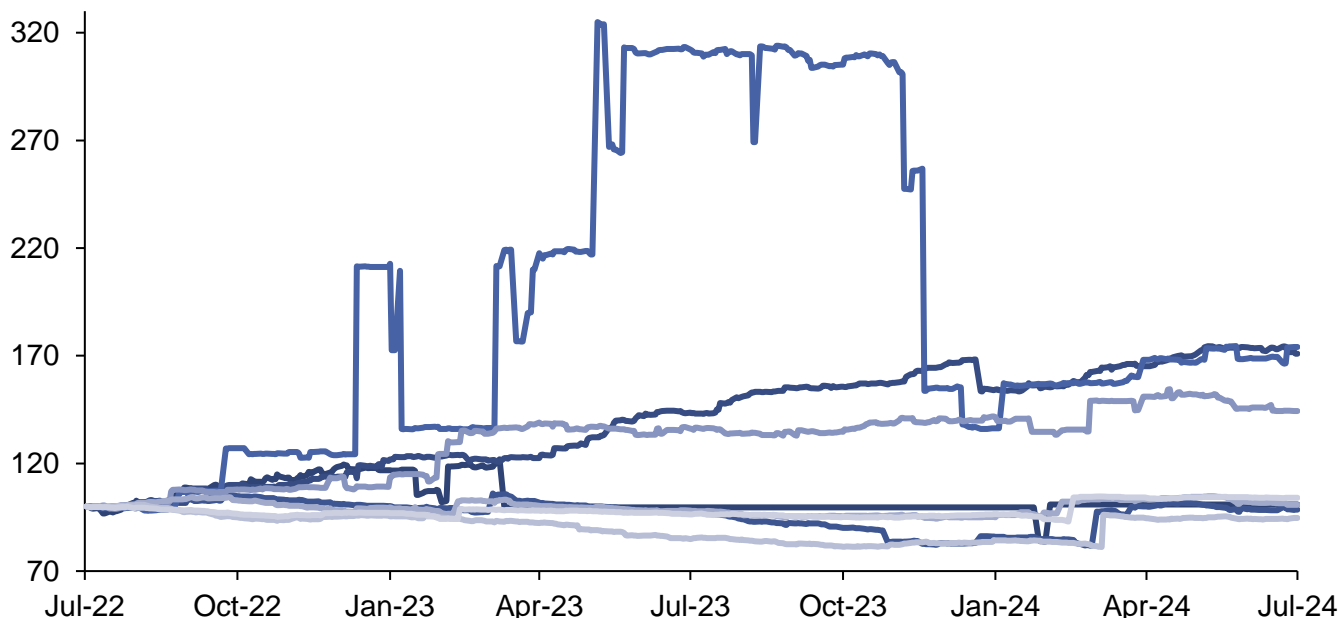
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

12 month forward EPS (indexed to 100 at start)

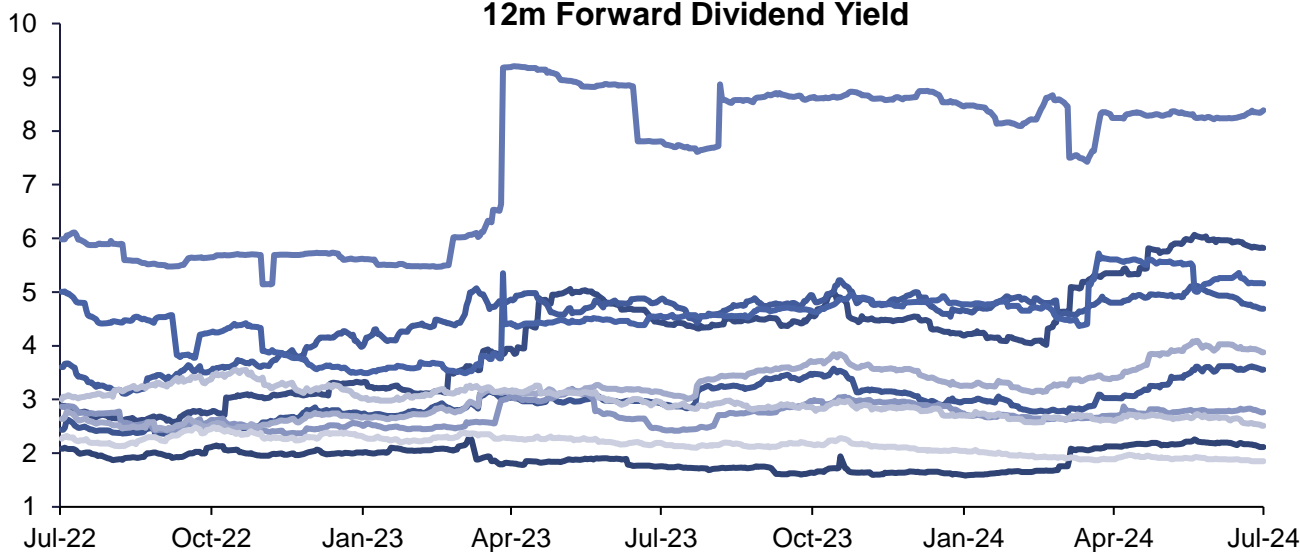


- FTSE ADX GENERAL INDEX
- DFM GENERAL INDEX
- TADAWUL ALL SHARE INDEX
- MSX30 Index
- KWSE Premier Mkt
- MSCI GCC COUNTRIES
- MSCI EM
- MSCI ACWI

Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



- FTSE ADX GENERAL INDEX
- DFM GENERAL INDEX
- TADAWUL ALL SHARE INDEX
- QE Index
- MSX30 Index
- BB ALL SHARE INDEX
- KWSE Premier Mkt
- MSCI GCC COUNTRIES
- MSCI ACWI

Source: Bloomberg, ADCB

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