

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index recorded losses for the week ending 8th July. UST yields rose over the week. In credit, Global corporate IG and Global HY posted declines over the week. EM bonds recorded negative declines over the week, led by EM LatAm.

GCC bond indices mostly fell over the week with the exception of Bahrain and Oman. High-quality names- Qatar and Saudi Arabia underperformed. The 5yr CDS spreads tightened across all the GCC markets, barring Dubai. In the USD sovereign market, the 10yr USD bond yields rose across all GCC countries with Bahrain being the exception.

GCC equities

All regional indices posted gains last week. Dubai was the best performer. Overall, MSCI GCC outperformed both MSCI EM and MSCI ACWI.

GCC key developments:

- ▶ **UAE non-oil sector grew steadily in June – PMI.**
- ▶ **Saudi Arabia's non-oil sector accelerated in June on strong demand – PMI.**
- ▶ **Oman's GDP grew by 2.5% in Q1'25 – (NCSI).**
- ▶ **Oman's inflation rate rose by 0.81%.**
- ▶ **Oman's trade surplus dropped by 40% to USD4.6bn.**
- ▶ **Saudi central bank assets surpassed USD532bn.**

GCC issuances/IPO:

- ▶ **National Bank of Kuwait priced its USD800mn perpetual non-call 6-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	494.3	-0.78	6.60	Saudi	5.43	-0.30	1.19
Global Treasuries	208.1	-0.97	6.65	UAE	4.20	5.45	-23.99
EM USD Agg TR	1312.1	-0.24	4.79	Kuwait	4.06	0.00	12.50
EM LatAm TR	1201.6	-0.36	5.63	Bahrain	4.06	-157.26	-162.53
EM EMEA TR	386.0	-0.12	4.57	Oman	4.56	-1.60	-35.35
EM Asia TR	677.1	-0.30	4.10	Qatar	4.65	-	0.00
Bahrain TR	211.8	0.28	4.12	US SOFR	4.34	-6.00	-6.00
Oman TR	164.9	0.13	5.32	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	162.8	0.00	3.72	Saudi Arabia	65.99	-2.27	-1.19
Qatar TR	142.7	-0.15	3.49	Abu Dhabi	34.32	-2.27	9.59
Saudi Arabia TR	147.5	-0.10	4.37	Dubai	64.47	0.84	-1.73
UAE TR	148.9	-0.08	4.26	Kuwait	60.14	-6.5	-14.7
Equity	Latest	-1w %	YTD %	Bahrain	198.80	-8.33	-10.53
ADX	10049.0	0.93	7.40	Oman	94.51	-6.37	7.75
DFM	5833.8	2.21	12.44	Qatar	33.84	-2.30	10.20
Tadawul	11277.7	1.48	-6.68	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	10829.9	1.26	2.49	Saudi Arabia	5.02	6.20	-37.50
MSM30	4596.7	0.63	-0.43	Abu Dhabi	4.48	0.30	-54.80
BHSE	1963.5	0.54	-0.93	Dubai	4.42	2.90	-40.40
KWSE	9269.0	1.41	17.51	Bahrain	6.85	-4.10	-11.40
MSCI GCC	744.7	1.77	2.44	Oman	5.16	0.80	-57.10
MSCI EM	1227.9	0.11	14.99	Qatar	4.54	2.50	-29.70
MSCI ACWI	924.3	-0.13	9.45				

Note: data from 2nd July 2025 to 8th July 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Key developments

► UAE non-oil sector grew steadily in June – PMI

The UAE's non-oil private sector grew steadily in June, despite geopolitical tensions weighing on demand. The UAE Purchasing Managers' Index (PMI) edged up from 53.3 in May to 53.5 in June, signaling continued growth in the sector, but new orders increased at their slowest pace in nearly four years. The subindex for new orders declined to 54.5 in June from 56.2 in May, the weakest reading since September 2021.

(Source: Zawya)

► Saudi Arabia's non-oil sector accelerated in June on strong demand – PMI

The expansion in Saudi Arabia's non-oil private sector activity accelerated in June, supported by strong client demand and a surge in hiring. The Saudi Arabia Purchasing Managers' Index (PMI) rose from May's 55.8 to a three-month high of 57.2. The upturn was driven by a pickup in new orders, with the related subindex rising to 64.3 in June from 62.5 in May. Domestic sales drove the gains, aided by improved client outreach and marketing strategies. However, export sales remained subdued.

(Source: Zawya)

► Oman's GDP grew by 2.5% in Q1'25 – (NCSI)

According to the National Centre for Statistics and Information, Oman's gross domestic product (GDP) grew by 2.5%YoY in Q1'25, reaching OMR9.43bn at market price. This growth primarily was due to a 4.4% expansion in non-oil activities, which contributed OMR6.92bn by the end of Q1'25. Agricultural and fishing activities grew by 7.6%, while industrial activity rose 7% to OMR2.03bn. The services sector expanded by 3.2%. Meanwhile, oil-related activities declined 0.4%, with crude oil output dropping 2.2%, contributing OMR2.45bn. In contrast, natural gas activities surged 9.5%, adding OMR745.3mn to GDP.

(Source: Zawya)

► Oman's inflation rate rose by 0.81%

Oman's CPI rose by 0.81% during the first five months of this year. The import price index increased by 1.3%, while the general producer price index rose by 4.1% by the end of Q1'25.

(Source: Zawya)

► Oman's trade surplus dropped by 40% to USD4.6bn

According to the National Centre for Statistics and Information (NCSI), Oman's trade surplus fell sharply by 40.4% to OMR1.849bn by the end of April 2025. The decline comes amid a 9.3% drop in the total value of commodity exports, which stood at OMR7.516bn till April 2025. The drop in exports is mainly attributed to a 15% decrease in oil and gas shipments, which totalled OMR4.872bn by April 2025. In contrast, non-oil commodity exports rose 9% YoY, reaching OMR2.183bn by the end of April 2025. The total value of re-exports declined by 17.1%.

(Source: Zawya)

► Saudi central bank assets surpassed USD532bn

The Saudi Central Bank (SAMA) posted a 5% annual increase in total assets, reaching approximately SAR2tn (USD532bn) in May 2025, up from SAR1.9tn a year earlier. Foreign currency reserves rose significantly to SAR292.8bn from SAR272.2bn, while miscellaneous assets increased to SAR273.8bn from SAR153.8bn. Cash in vault rose to SAR25.5bn, but investment in foreign securities, the largest asset class, fell to SAR969.5bn from SAR1tn. Gold holdings remained unchanged at SAR1.6bn.

(Source: Zawya)

► National Bank of Kuwait priced its USD800mn perpetual non-call 6-year bond

The National Bank of Kuwait (NBK) priced its USD800mn Tier 1 perpetual non-call 6-year bond to 6.375%, tightening from initial guidance of 6.875%. The first reset date is July 10, 2031, with a spread of +234 bp. The issue drew strong demand with orders exceeding USD2bn (excluding joint lead manager interest). NBK is rated A1 (stable) by Moody's and A+ (stable) by Fitch. The bond is expected to be rated Baa3 by Moody's and will support NBK's Tier 1 capital and general corporate purposes. It will be listed on the London Stock Exchange's International Securities Market.

(Source: Zawya)

GCC Weekly Market View

Investment Strategy | July 10 2025

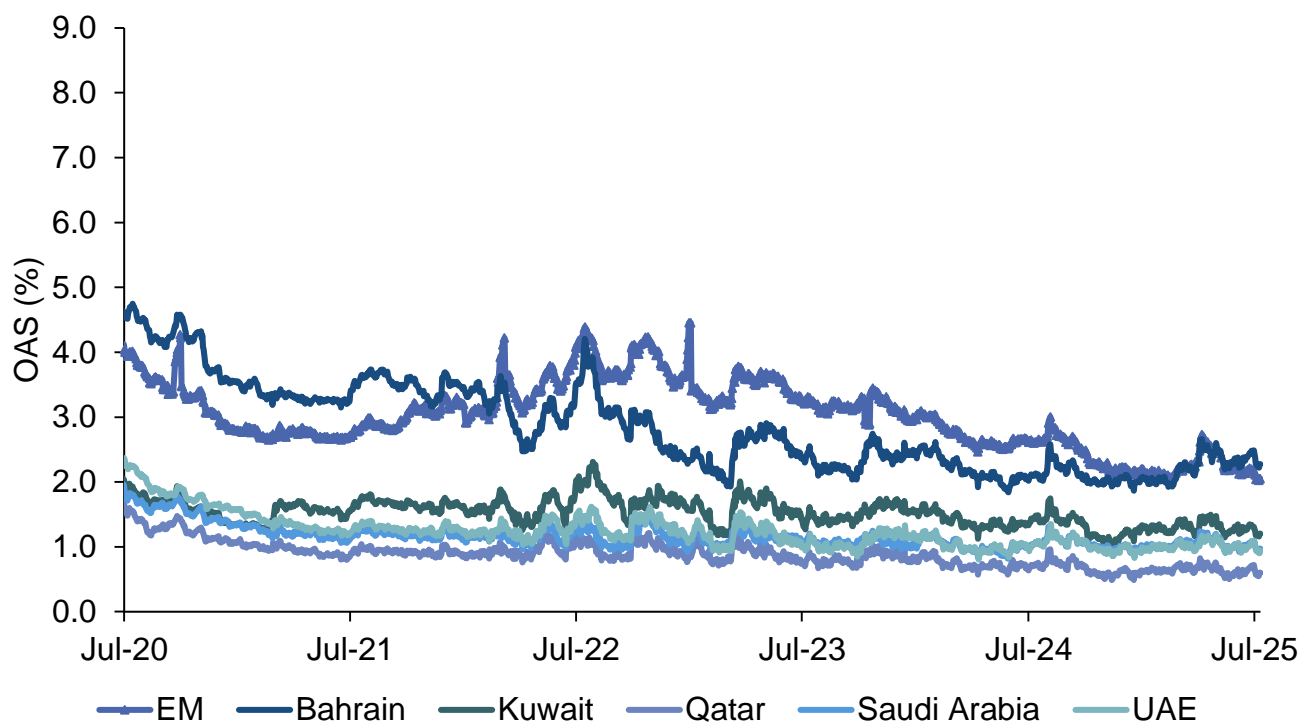
GCC bond issuances

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
Abu Dhabi Developmental	ADQABU	Agency	AE	1000	4.5	5/6/2030	CALLABLE	USD	5/6/2025	AA	4.72	4.72
Abu Dhabi Developmental	ADQABU	Agency	AE	1000	5	5/6/2035	CALLABLE	USD	5/6/2025	AA	5.17	5.18
Adnoc Murban Sukuk Ltd	ADNOCM	Agency	AE	1500	4.75	5/6/2035	CALLABLE	USD	5/6/2025	AA	4.83	4.84
Banque Saudi Fransi	BSFR	Financial Institutions	SA	650	6.375	-	PERP/CALL	USD	5/7/2025	A-	6.51	6.45
Bahrain Government International Bond	BHRAIN	Sovereign	BH	750	7.5	7/7/2037	AT MATURITY	USD	5/7/2025	B+	7.55	-
CBB International Sukuk Programme Co	BHRAIN	Sovereign	BH	1750	6.25	7/7/2033	AT MATURITY	USD	5/7/2025	B+	6.32	-
Al Rajhi Sukuk Ltd	RJHIAB	Financial Institutions	SA	300	5.087058	11/7/2026	AT MATURITY	USD	5/7/2025	A-	5.39	-
Suci Second Investment Co	PIFKSA	Agency	SA	1250	4.875	5/8/2032	AT MATURITY	USD	5/8/2025	A+	5.09	-
DP World Crescent Ltd	DPWDU	Agency	AE	1500	5.5	5/8/2035	AT MATURITY	USD	5/8/2025	BBB+	5.61	-
Saudi National Bank/Singapore	NCBKSG	Financial Institutions	SA	300	4.62	8/15/2025	AT MATURITY	USD	5/15/2025	-	4.24	-
Saudi National Bank/Singapore	NCBKSG	Financial Institutions	SA	300	4.62	8/15/2025	AT MATURITY	USD	5/15/2025	-	4.23	-
Sobha Sukuk Ltd	SOBHA	Financial Institutions	AE	500	7.9955	2/19/2029	AT MATURITY	USD	5/19/2025	BB	7.73	-
Al Rajhi Sukuk Ltd	RJHIAB	Financial Institutions	SA	500	4.865	5/19/2030	AT MATURITY	USD	5/19/2025	AA-	4.96	-
Warba Tier 1 Sukuk 3 Ltd	WARBAB	Financial Institutions	KW	250	6.25	-	PERP/CALL	USD	5/20/2025	-	6.13	6.33
Masdar Abu Dhabi Future Energy Co	MASDAR	Agency	AE	500	5.375	5/21/2035	AT MATURITY	USD	5/21/2025	AA-	5.33	-
Masdar Abu Dhabi Future Energy Co	MASDAR	Agency	AE	500	4.875	5/21/2030	AT MATURITY	USD	5/21/2025	AA-	4.83	-
SAB AT1 Ltd	SABBAB	Financial Institutions	SA	650	6.5	-	PERP/CALL	USD	5/21/2025	-	6.39	6.50
BAB Usd At1 Sukuk Ltd	ALBIAB	Financial Institutions	SA	650	6.5	-	PERP/CALL	USD	5/22/2025	-	6.51	6.65
First Abu Dhabi Bank PJSC	FABUH	Agency	AE	750	5.2534549	5/27/2030	AT MATURITY	USD	5/27/2025	AA-	5.21	-
Alinma At1 Sukuk Ltd	ALINMA	Financial Institutions	SA	500	6.5	-	PERP/CALL	USD	5/28/2025	-	6.43	6.50
Abu Dhabi Commercial Bank	ADCBUH	Agency	AE	600	5.3133055	6/10/2030	AT MATURITY	USD	6/10/2025	A+	5.27	-
Boubyan Sukuk Ltd	BOUSUK	Financial Institutions	KW	500	4.973	6/4/2030	AT MATURITY	USD	6/4/2025	-	4.89	-
SIB Tier 1 Sukuk Ltd	SIB	Financial Institutions	AE	500	6.125	-	PERP/CALL	USD	6/4/2025	-	6.16	6.21
Mdgh Sukuk Ltd	MUBAUH	Agency	AE	1000	5	6/4/2035	AT MATURITY	USD	6/4/2025	AA	4.86	-
Saudi Arabian Oil Co	ARAMCO	Agency	SA	2250	6.375	6/2/2055	CALLABLE	USD	6/2/2025	A+	6.49	6.49
Saudi Arabian Oil Co	ARAMCO	Agency	SA	1250	5.375	6/2/2035	CALLABLE	USD	6/2/2025	A+	5.37	5.37
Saudi Arabian Oil Co	ARAMCO	Agency	SA	1500	4.75	6/2/2030	CALLABLE	USD	6/2/2025	A+	4.78	4.78
MAR Finance LLC	MAALRA	Financial Institutions	QA	500	4.875	5/29/2030	AT MATURITY	USD	5/29/2025	A	4.87	-
QIB Sukuk Ltd	QIBKQD	Financial Institutions	QA	750	4.803	6/12/2030	AT MATURITY	USD	6/12/2025	-	4.79	-
National Bank of Kuwait/New York NY	NTBKKK	Financial Institutions	KW	285	4.65	9/22/2025	AT MATURITY	USD	6/20/2025	-	4.75	-
SNB Funding Ltd	SNBAB	Financial Institutions	SA	1250	6	6/24/2035	CALLABLE	USD	6/24/2025	BBB	5.86	5.85
Dar Al-Arkan Sukuk Co Ltd	DARALA	Financial Institutions	SA	750	7.25	7/2/2030	AT MATURITY	USD	7/2/2025	B+	7.27	-
National Bank of Ras Al-Khaimah PSC/The	RAKBNK	Financial Institutions	AE	300	6.625	-	PERP/CALL	USD	7/09/2025	-	6.65	6.59
QIC Cayman Ltd	QATIQD	Financial Institutions	QA	500	6.15	-	PERP/CALL	USD	7/10/2025	-	6.20	6.16
NBK Tier 1 Ltd	NTBKKK	Financial Institutions	KW	800	6.375	-	PERP/CALL	USD	7/10/2025	-	6.35	6.18

*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

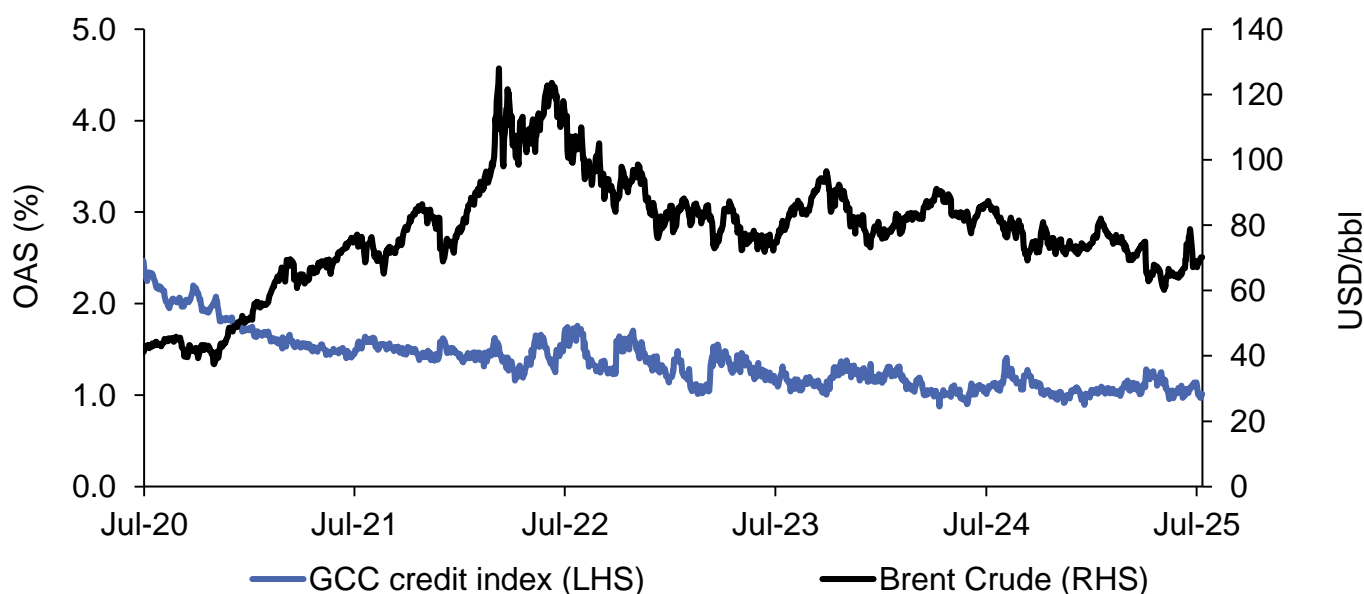
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

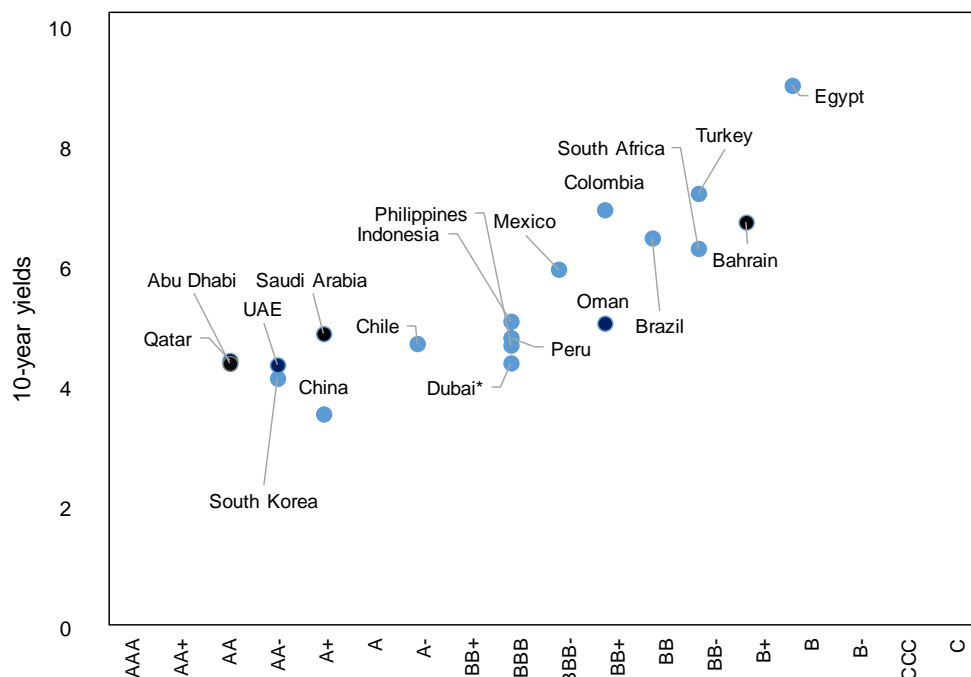
GCC corporate OAS spread versus Brent Crude



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

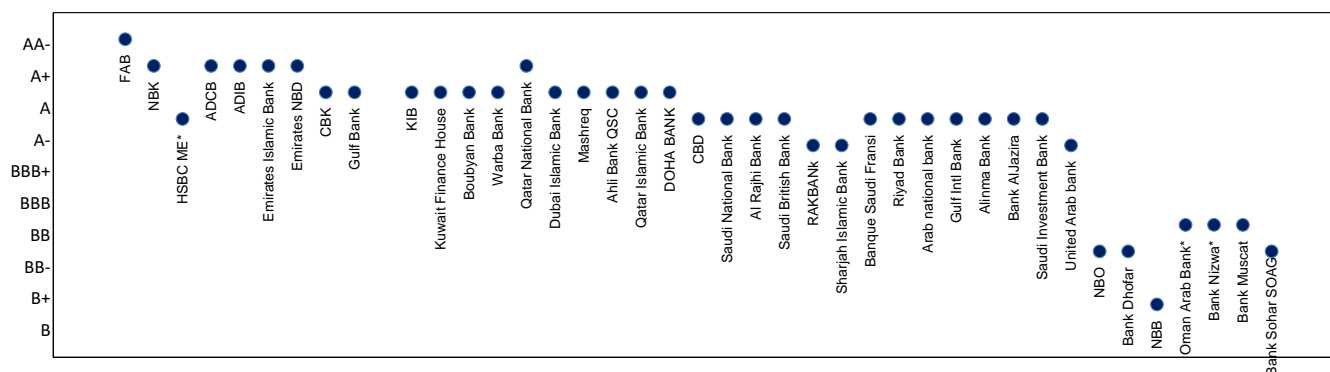
GCC Sovereign Rating

Country	Saudi Arabia	Abu Dhabi	Dubai*	Kuwait	Bahrain	Oman	Qatar	Egypt
Moody's	Aa3	Aa2	Baa2	A1	B2u	Ba1	Aa2	Caa1
Fitch	A+	AA	-	AA-	B+	BB+	AA	B

Note: *DEWA rated used as proxy for Dubai

GCC Financials Credit Rating

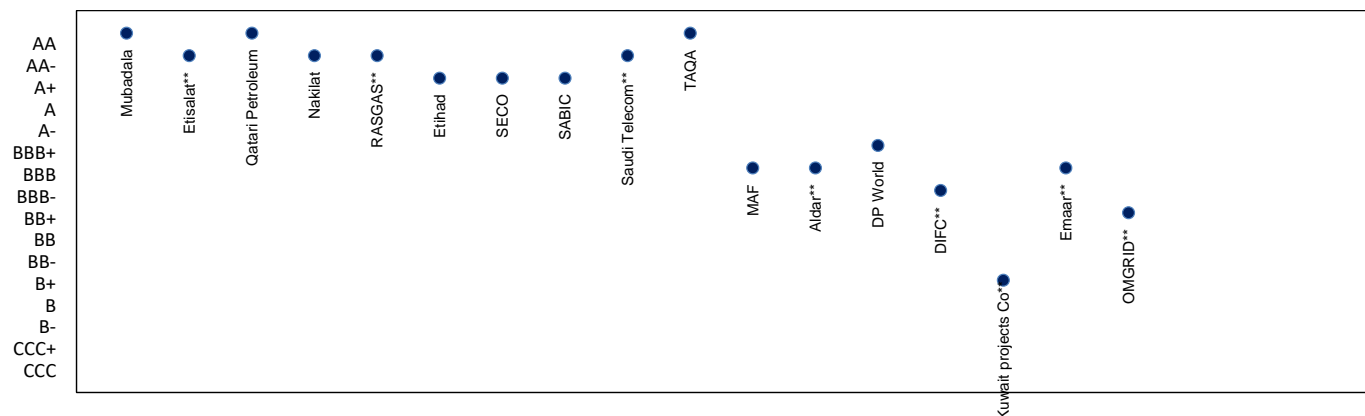
GCC Financials



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

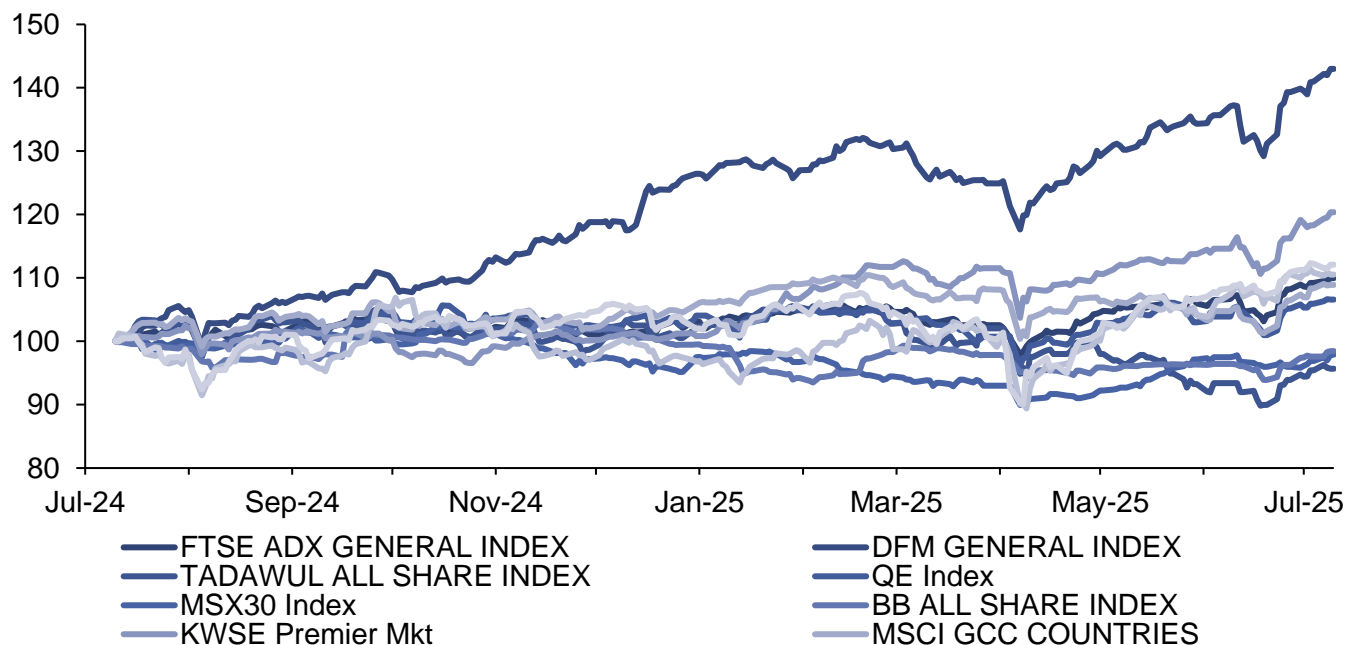
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	15.2x	6.9%	2.3%
DFM	10.0x	-	5.1%
Tadawul	14.3x	14.3%	4.1%
DSM	11.8x	0.4%	4.5%
MSM30	2.0x	393.3%	6.2%
BHSE	7.9x	-	4.0%
KWSE	18.6x	-19.5%	3.0%
MSCI GCC	13.8x	10.8%	4.1%
MSCI EM	13.6x	9.0%	2.6%
MSCI ACWI	19.9x	8.5%	1.8%

Notes: *data as of 10 July 2025 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

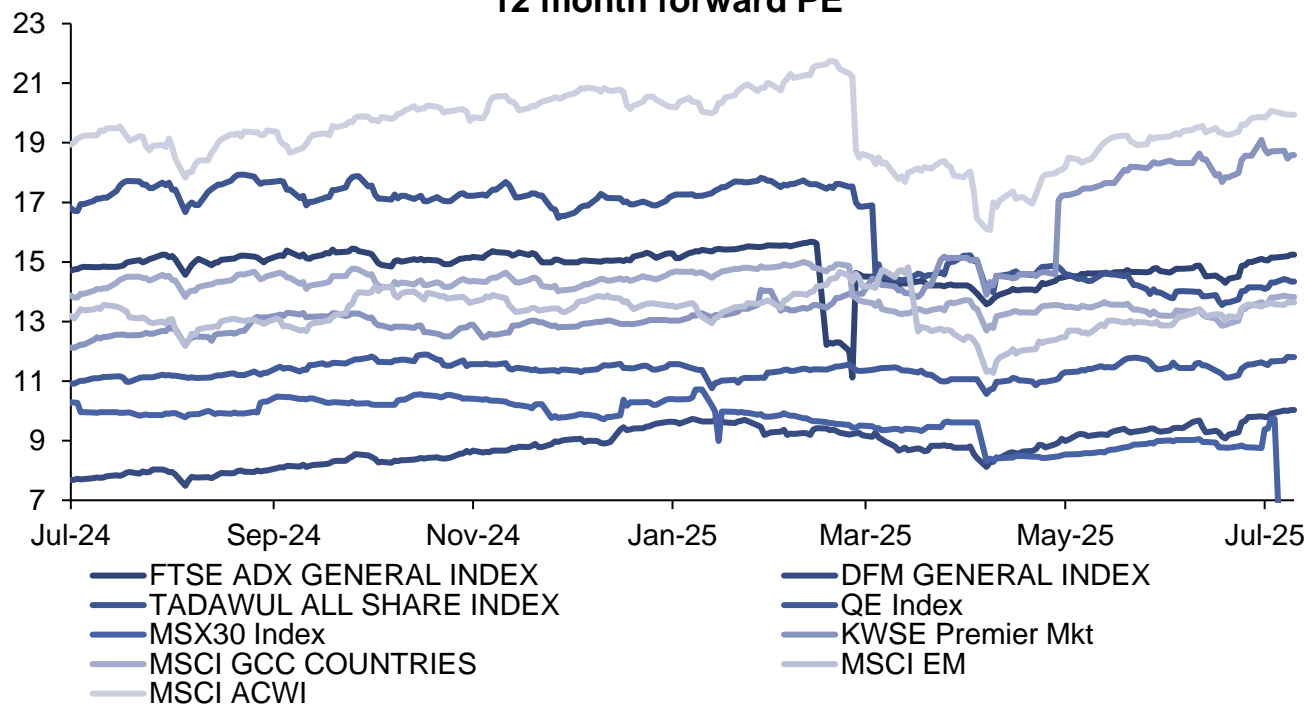
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

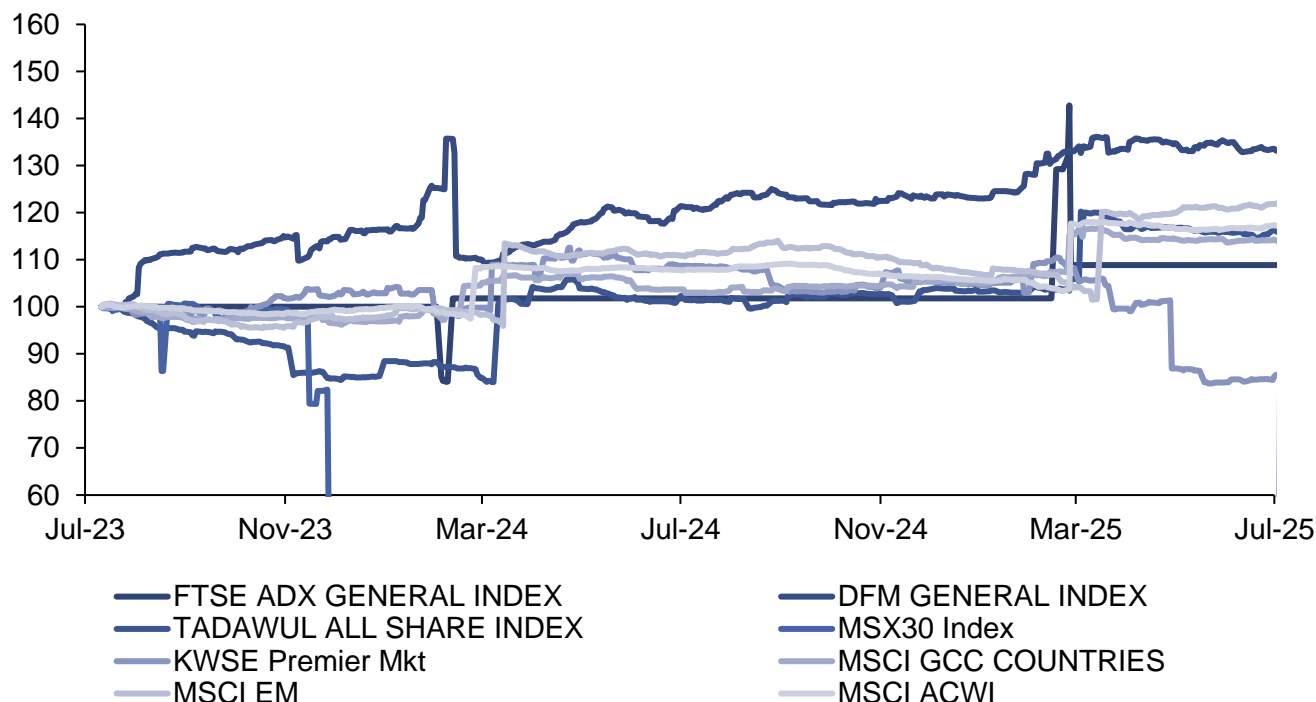
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

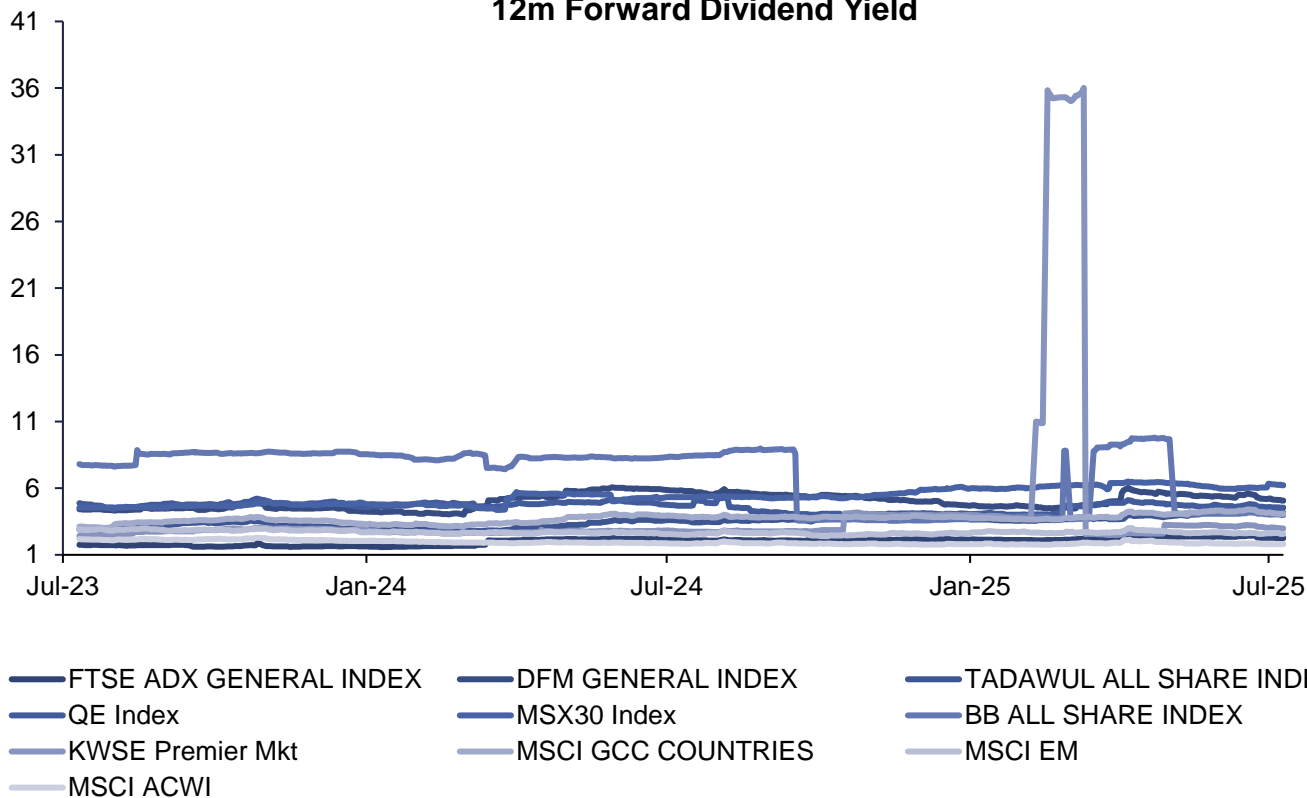
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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