

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index posted marginal gains for the week ending 22nd July. UST 10Y yields declined over the week. In credit, Global corporate IG and Global HY posted gains over the week. EM bonds recorded positive gains over the week, led by EM LatAm.

GCC bond indices posted gains with Qatar, Oman, and Saudi Arabia outperforming the most. The 5yr CDS spreads tightened across all the GCC market, barring Dubai and Bahrain. Similarly, in the USD sovereign market, the 10yr USD bond yields fell across all GCC countries with the largest decline seen in Oman.

GCC equities

Most regional indices gained with Oman and Qatar outperforming the most. Saudi Arabia and Bahrain recorded declines. Overall, MSCI GCC posted losses, underperforming both MSCI ACWI and MSCI EM.

GCC key developments:

- ▶ Kuwait inflation rose by 2.3% in June, driven by food prices.
- ▶ Qatar posted a budget deficit of USD208mn in Q2'25.
- ▶ First Abu Dhabi Bank (FAB) posted a net profit of AED5.5bn in Q2'25.
- ▶ Bank of Sharjah posted a net profit of USD73mn in H1'25.
- ▶ RAKBANK posted a net profit to USD374mn.

GCC issuances/IPO:

- ▶ Qatar National Bank priced a 5-year senior unsecured USD bond.
- ▶ UAE developer Arada plans USD500mn sukuk amid construction booms.

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GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	495.2	0.99	7.08	Saudi	5.63	32.19	21.32
Global Treasuries	208.5	1.09	7.11	UAE	4.12	0.00	-32.04
EM USD Agg TR	1314.9	0.62	5.27	Kuwait	4.06	0.00	12.50
EM LatAm TR	1200.2	0.66	5.96	Bahrain	4.06	-160.21	-162.53
EM EMEA TR	387.4	0.62	5.11	Oman	4.58	1.00	-34.15
EM Asia TR	679.8	0.56	4.69	Qatar	4.65	-	0.00
Bahrain TR	212.9	0.40	4.75	US SOFR	4.28	-6.00	-12.00
Oman TR	167.3	0.64	6.94	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	163.2	0.14	4.00	Saudi Arabia	63.95	-0.88	0.85
Qatar TR	143.3	0.67	4.12	Abu Dhabi	33.16	-0.72	10.75
Saudi Arabia TR	148.1	0.62	4.97	Dubai	65.66	3.98	-2.92
UAE TR	149.4	0.47	4.81	Kuwait	58.73	-1.6	-16.1
Equity	Latest	-1w %	YTD %	Bahrain	190.93	0.12	-2.66
ADX	10178.9	0.02	9.19	Oman	85.91	-2.59	16.36
DFM	6024.8	0.84	16.91	Qatar	33.31	-0.06	10.73
Tadawul	10843.2	-1.77	-10.41	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	11141.0	3.05	5.39	Saudi Arabia	4.95	-9.10	-45.30
MSM30	4777.2	3.83	4.46	Abu Dhabi	4.38	-9.10	-64.30
BHSE	1944.9	-0.10	-1.74	Dubai	4.35	-7.20	-48.00
KWSE	9280.7	0.54	18.40	Bahrain	6.77	-8.80	-19.40
MSCI GCC	738.8	-0.32	1.74	Oman	4.91	-14.20	-82.60
MSCI EM	1248.1	0.69	16.53	Qatar	4.44	-10.50	-39.80
MSCI ACWI	929.8	0.94	10.70				

Note: data from 16th July 2025 to 22nd July 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Key developments

► Kuwait inflation rose by 2.3% in June, driven by food prices

According to the Central Statistical Bureau (CSB), Kuwait's annual inflation rose by 2.32% in June. On a monthly basis, the Consumer Price Index (CPI) increased by 0.29%. The CSB attributed the YoY rise mainly to higher costs in essential categories such as food, healthcare, clothing, and education, while transportation costs declined. Food and beverage prices saw the sharpest increase, jumping 5.11% compared to June 2024. Clothing prices climbed by 3.93%, healthcare costs rose 2.94%, and housing services recorded a 0.98% increase. Furniture and household items rose 3.30%, while restaurant and hotel prices increased 1.94%. Miscellaneous goods and services also registered a notable rise of 4.8%. Conversely, transportation costs fell by 1.81% YoY. Other modest increases were recorded in communication services (0.64%), education (0.71%), and tobacco products (0.07%). Excluding the food and beverage category, core inflation stood at 1.69% YoY and 0.23% MoM in June.

(Source: Zawya)

► Qatar posted a budget deficit of USD208mn in Q2'25

According to the Ministry of Finance, Qatar recorded a budget deficit of QAR757mn (USD208mn) in Q2 of 2025. This marks a continuation of fiscal shortfalls following a QAR529mn deficit in Q1, ending a three-year run of budget surpluses. The deficit was primarily driven by a 5.7% increase in public spending, which rose to QAR60.6bn. Meanwhile, revenues declined slightly by 0.1% YoY to QAR59.85bn. The budget was based on an assumed oil price of USD66.80p/b. Hydrocarbon revenues amounted to QAR34bn, while non-oil revenues totaled just under QAR26bn during the quarter.

(Source: Zawya)

► First Abu Dhabi Bank (FAB) posted a net profit of AED5.5bn in Q2'25

First Abu Dhabi Bank (FAB) posted a net profit of AED5.5bn (USD1.5bn) in Q2 2025, up 29% YoY, driven by higher non-interest income and lower impairment charges. Earnings per share also increased 29% to AED0.49. Operating income for Q2 was AED9.49bn, 22% higher YoY driven by a 61% YoY rise in non-interest income to AED4.54bn. Net interest income edged up slightly on year to AED4.95bn. Net impairment charges stood at AED752mn, down 16% YoY. For H1 2025, net profit jumped 26% YoY to AED10.63bn.

(Source: Zawya)

► Bank of Sharjah posted a net profit of USD73mn in H1'25

Bank of Sharjah posted a net profit of AED268mn for H1'25, compared to AED171mn last year, representing a 57% YoY increase. On a quarterly basis, net profit rose to AED152mn in Q2'25, a 31% increase over the AED116mn posted in Q1'25.

(Source: Zawya)

► RAKBANK posted a net profit to USD374mn

RAKBANK posted a net profit of AED1.374bn (USD374mn) for H1'25, marking a 26% growth over the same period in 2024. Net earnings for the second quarter stood at AED669mn, also rising by 22% from a year earlier. The bank's operating profit went up by 7.7% in H1'25, while total assets also expanded by 18.1%. Gross loans and advances grew by 17.4%, reflecting the expansion across all segments, including wholesale banking loans, which went up by 33%. Return on equity (ROE) stood at 22.1%, an improvement from 20.4%, while return on assets (ROA) was pegged at 3.1%, up from 2.9% a year ago.

(Source: Zawya)

► **Qatar National Bank priced a 5-year senior unsecured USD bond**

Qatar National Bank (QNB) successfully priced a 5-year senior unsecured USD bond at a yield of 4.50%, or US Treasuries +70bp, tightening significantly from initial guidance of UST +100bp. The issuance attracted strong investor interest, with order books exceeding USD3bn, including USD100mn from joint lead managers. Investor demand was led by Asia (53%), followed by the UK and Europe (27%), and the MENA region (18%). Banks accounted for nearly half of the allocations. The bond, issued by QNB Finance Ltd., is expected to be rated Aa3 by Moody's and A+ by Fitch, in line with QNB's existing credit ratings.

(Source: Zawya)

► **UAE developer Arada plans USD500mn sukuk amid construction booms**

Arada Developments, a property developer based in Sharjah, is preparing to issue up to USD500mn in Islamic bonds (sukuk) as it looks to expand amid a booming construction sector in the UAE. The company plans to launch the sukuk next week, with proceeds earmarked for new land acquisitions. While the plan has not been finalized, it follows Arada's successful USD150mn tap in September 2024 of its USD400mn sukuk maturing in 2029, which received strong investor interest and offered yields above 7%. Arada joins a growing list of Gulf developers tapping into debt markets as real estate activity surges across the region, supported by broader economic diversification efforts.

(Source: Zawya)

GCC Weekly Market View

Investment Strategy | July 23 2025

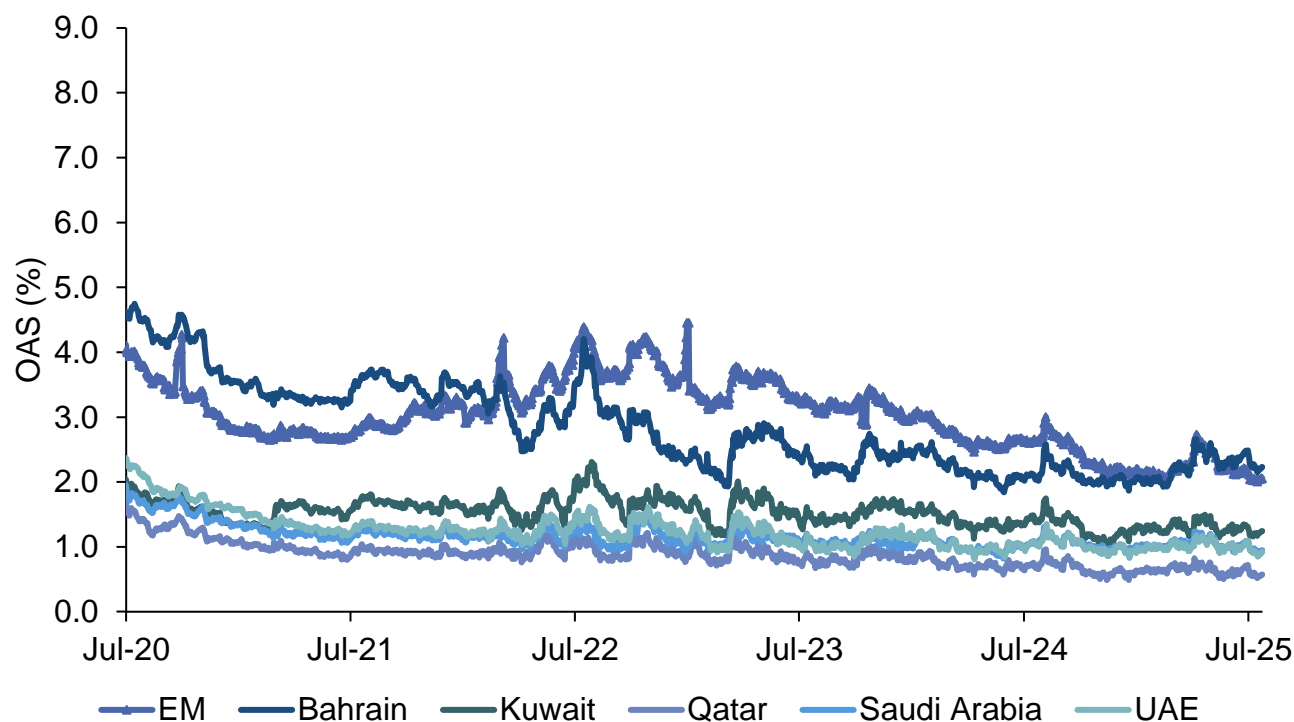
GCC bond issuances

Issuer	BBG	Sector	Cou ntry	Issue Amt*	Cpn	Maturity	Maturity Type	Curr ency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
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	5.0870 58	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	5.2534 549	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	5.3133 055	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	7/02/2025	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
Riyad Sukuk Ltd	RIBL	Financial Institutions	SA	1250	6.209	14/07/2035	CALLABLE	USD	7/14/2025	BBB-	6.20	6.13
Alinma Sukuk Ltd	ALINMA	Financial Institutions	SA	500	4.937	15/07/2030	AT MATURITY	USD	7/15/2025	A-	4.96	-
CBQ Finance Ltd	COMQAT	Financial Institutions	QA	300	5.6522 774	16/07/2030	AT MATURITY	USD	7/16/2025	A	5.58	-
SNB Sukuk Ltd	SNBAB	Financial Institutions	SA	250	5.938	18/07/2036	CALLABLE	USD	7/18/2025	BBB	5.87	5.96
Banque Saudi Fransi	BSFR	Financial Institutions	SA	250	0	24/09/2025	AT MATURITY	USD	7/23/2025	-	4.65	-

*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

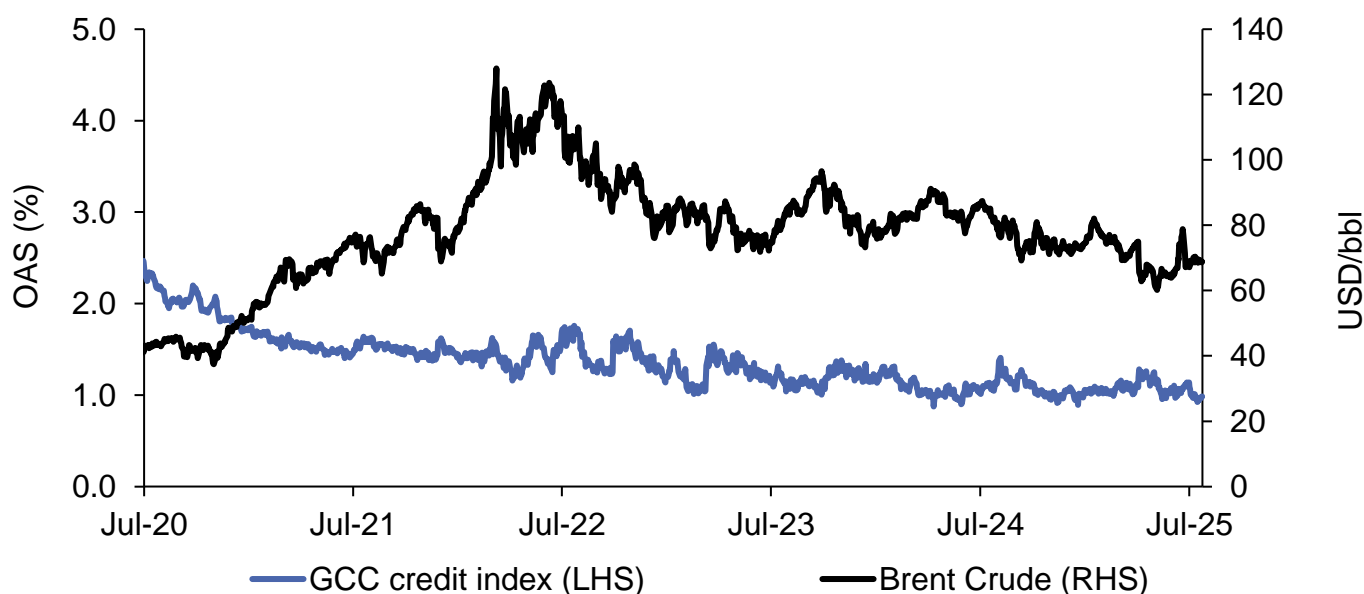
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

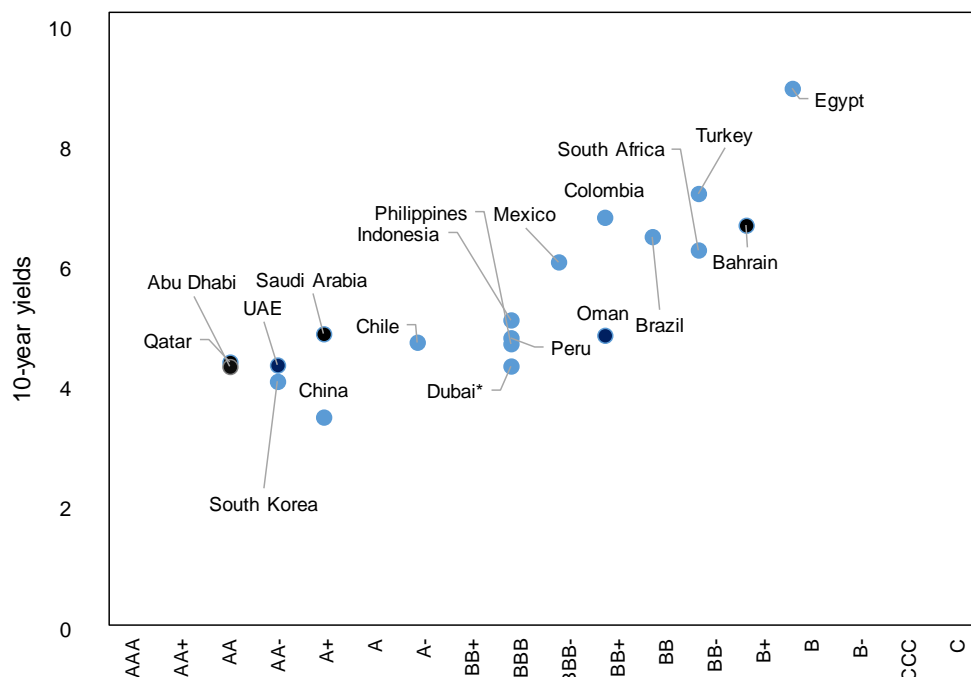
GCC corporate OAS spread versus Brent Crude



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

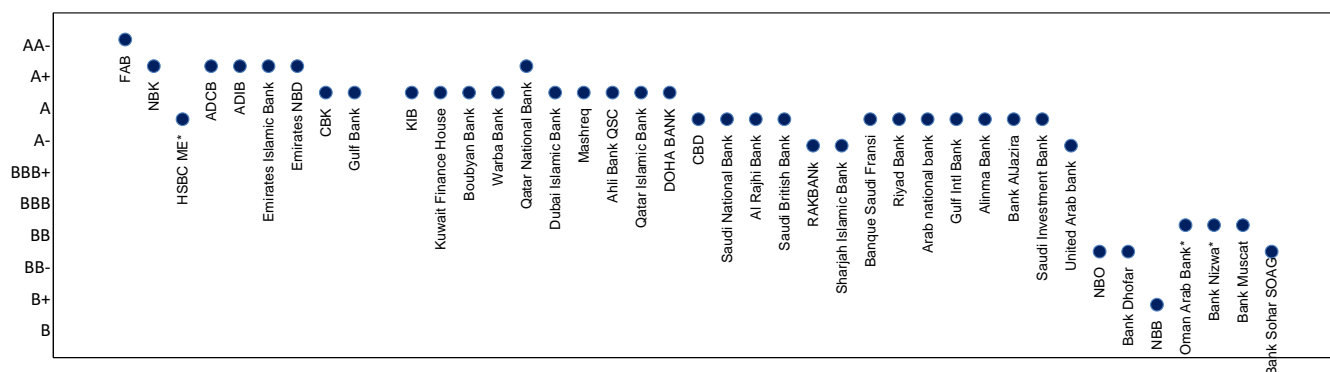
GCC Sovereign Rating

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

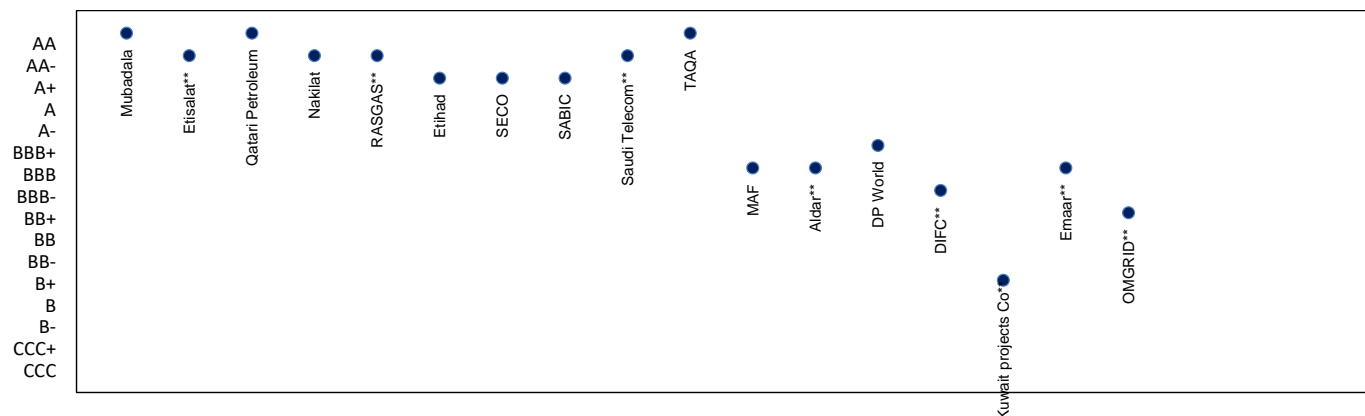
GCC Financials



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

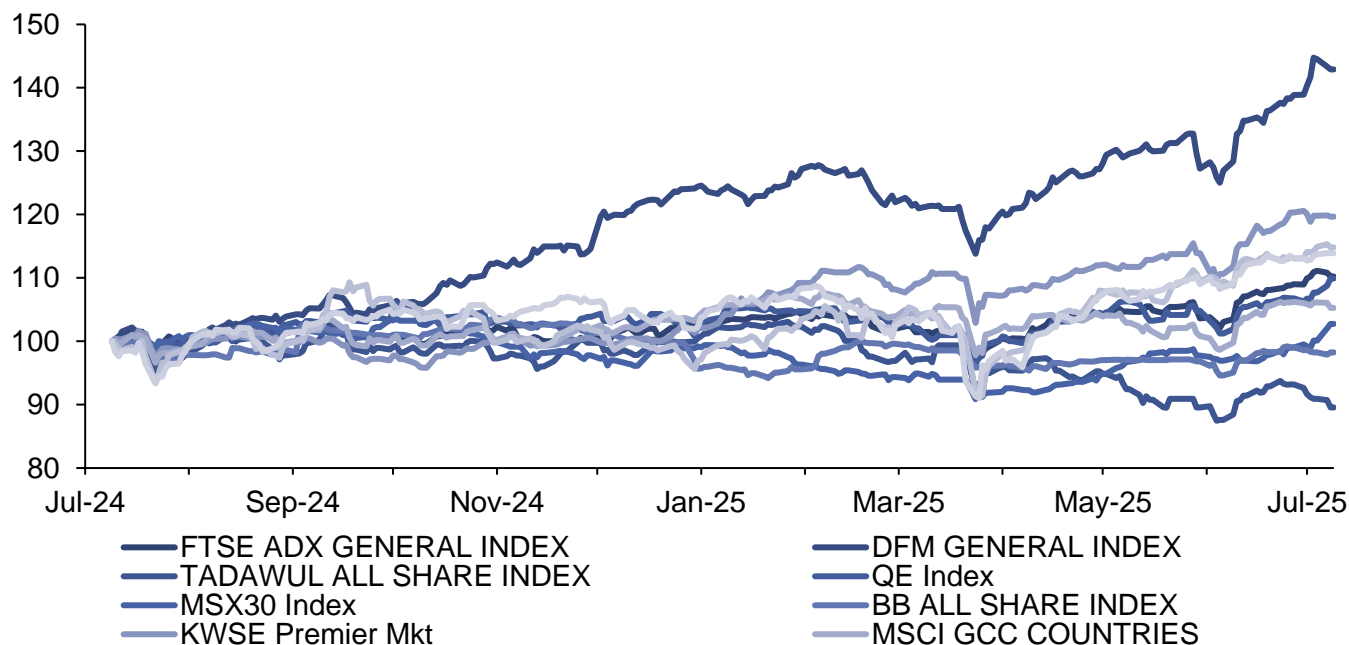
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	15.4x	6.9%	2.2%
DFM	10.3x	-	4.9%
Tadawul	13.9x	13.5%	4.3%
DSM	12.4x	-1.2%	4.4%
MSM30	1.5x	585.7%	6.0%
BHSE	14.5x	-	9.8%
KWSE	18.6x	-19.3%	3.0%
MSCI GCC	13.8x	10.8%	4.1%
MSCI EM	14.0x	8.5%	2.5%
MSCI ACWI	20.2x	8.1%	1.8%

Notes: *data as of 23 July 2025 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

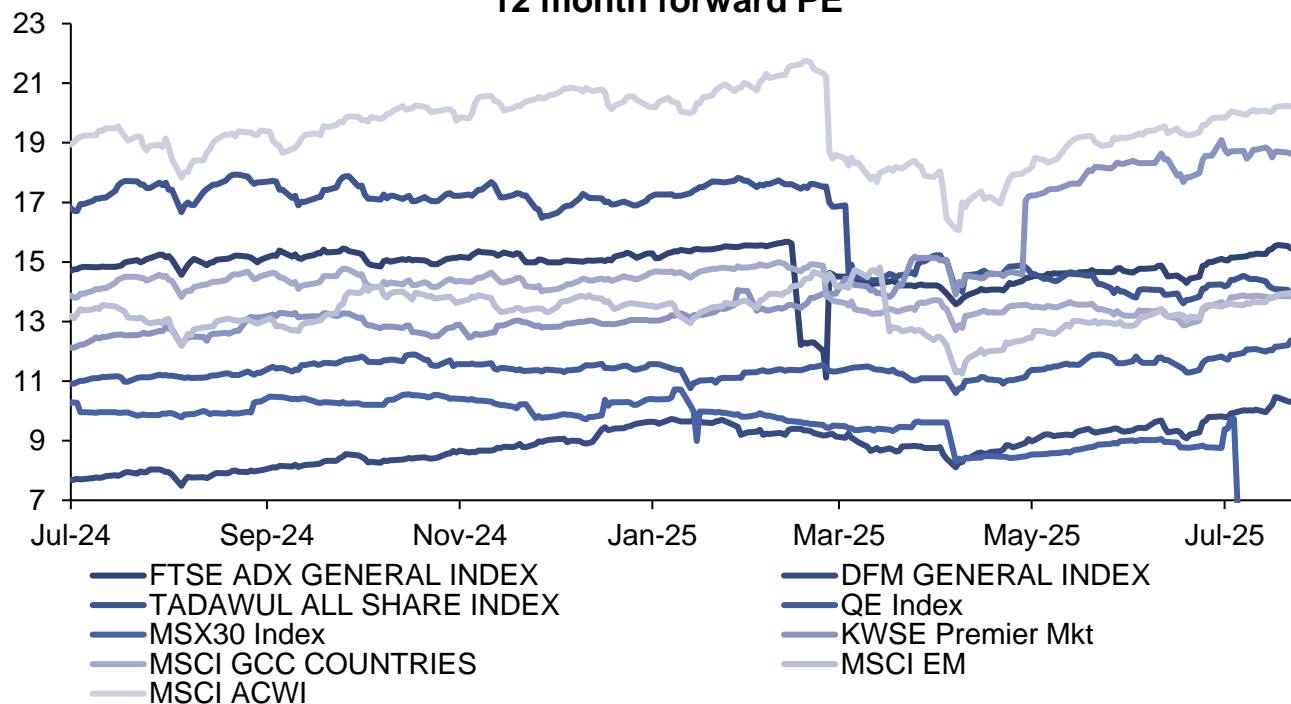
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

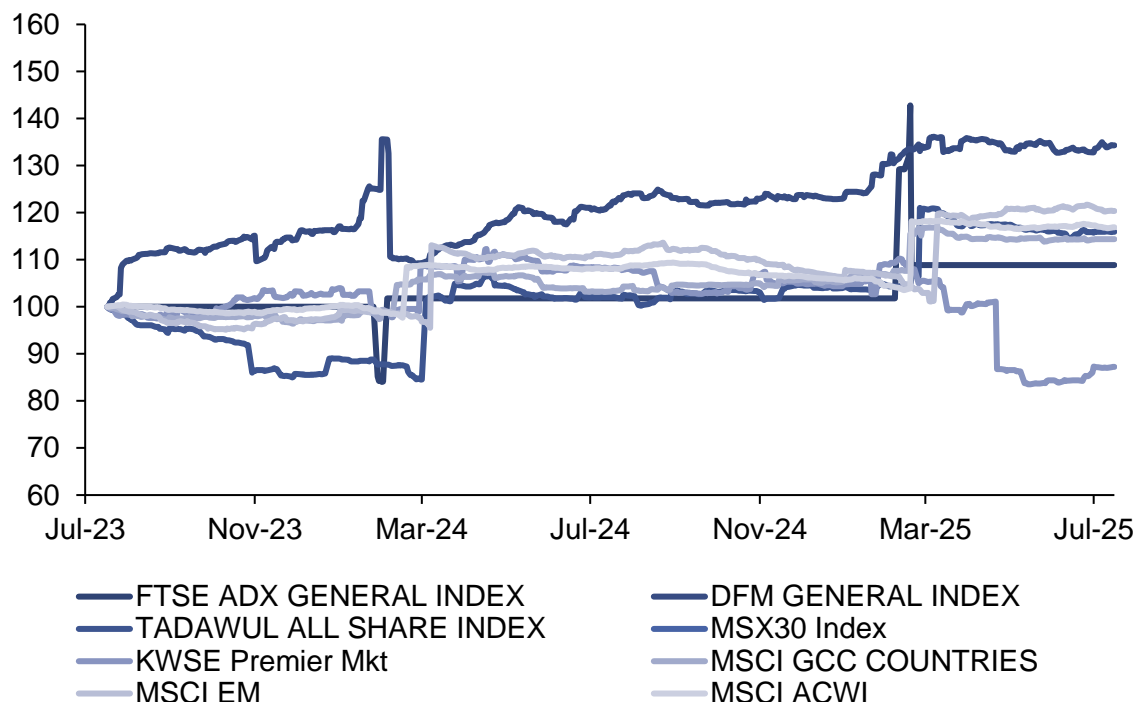
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

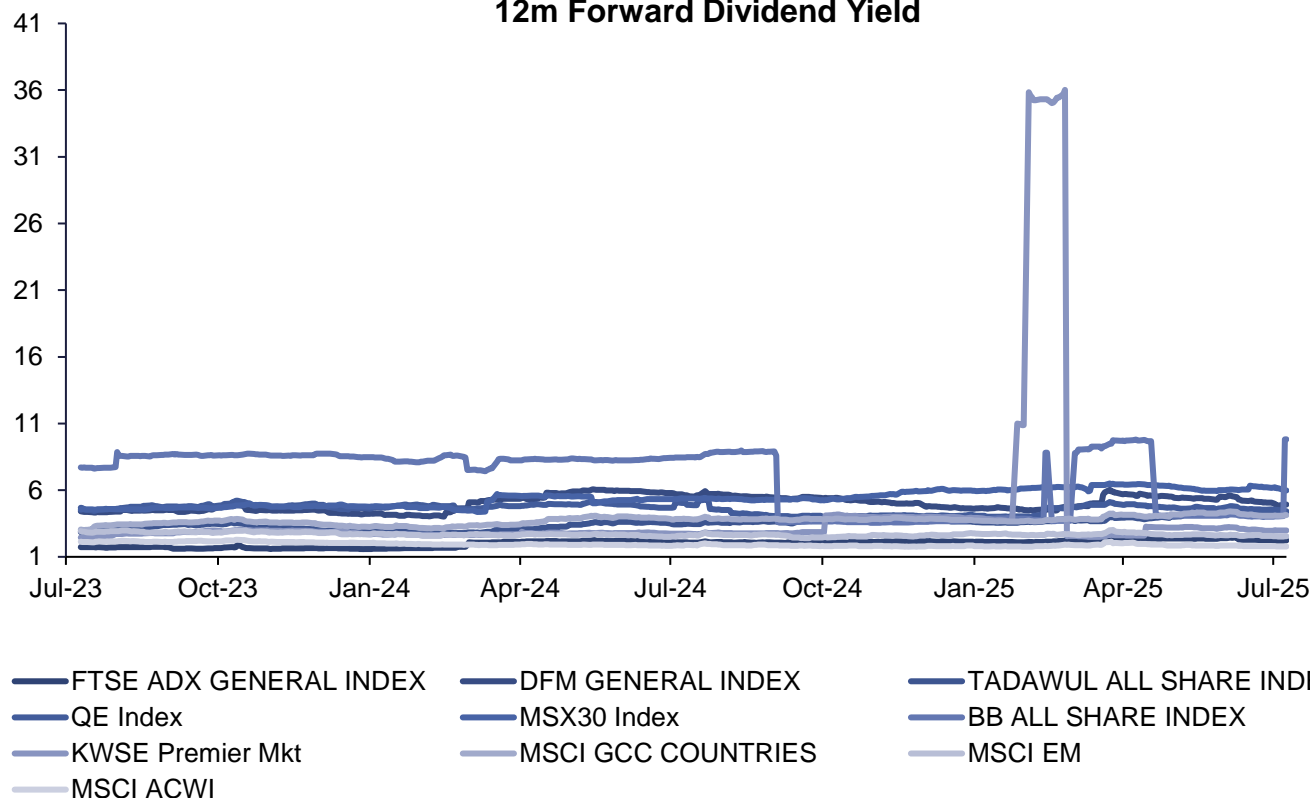
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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