

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index recorded declines for the week ending 10th June. UST yields rose over the week on upbeat US payrolls report and continued fiscal concerns. In credit, Global corporate IG declined over the week, while Global HY posted marginal gains. EM bonds recorded positive gains over the week, led by EM EMEA.

GCC bond indices rose over the week with the exception of Qatar. Oman outperformed the most. The 5yr CDS spreads mostly tightened across all the GCC markets, barring Dubai and Abu Dhabi. In the USD sovereign market, the 10yr USD bond yields rose across all GCC countries, barring Oman and Bahrain.

GCC equities

All regional indices gained with Qatar and Dubai outperforming the most. Overall, MSCI GCC rose over the week, but underperformed both MSCI EM and MSCI ACWI.

GCC key developments:

- ▶ UAE non-oil sector growth slowed to a 44-month low in May – PMI.
- ▶ Saudi Arabia's non-oil private sector growth edged higher in May – PMI.
- ▶ Saudi Arabia's Q1'25 GDP growth expanded by 3.4% YoY- GASTAT.
- ▶ Saudi Arabia's industrial production increased by 3.1% YoY in April – GASTAT.

GCC issuances/IPO:

- ▶ Emirates NBD has tightened the price on its AUD600mn 10-year benchmark Kangaroo bond.
- ▶ Mashreq bank successfully listed a USD500mn sukuk on Nasdaq.
- ▶ ERAM holdings plans new debt issuances by end of 2025..
- ▶ Qatar islamic bank issued a USD750mn sukuk.
- ▶ Al Salam bank raised a USD450mn through AT1 capital issuance.
- ▶ Qatar recorded a budget deficit of USD133mn in Q1'25.
- ▶ Saudi Arabia's healthcare provider Specialized Medical Company (SMC) to raise USD500mn via IPO.

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GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	489.1	-0.23	5.76	Saudi	5.42	-21.38	0.75
Global Treasuries	206.6	-0.25	6.17	UAE	4.15	-9.15	-28.75
EM USD Agg TR	1291.8	0.11	3.42	Kuwait	4.00	6.25	-
EM LatAm TR	1178.3	0.07	4.02	Bahrain	4.00	-162.89	-168.78
EM EMEA TR	380.2	0.19	3.17	Oman	4.63	-	-28.75
EM Asia TR	669.3	0.04	3.09	Qatar	4.65	0.0	-
Bahrain TR	209.3	0.15	3.00	US SOFR	4.29	1.00	-11.00
Oman TR	162.5	0.32	3.89	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	161.6	0.06	3.00	Saudi Arabia	68.80	-2.71	-4.00
Qatar TR	140.9	-0.02	2.39	Abu Dhabi	36.37	0.15	7.54
Saudi Arabia TR	145.7	0.10	3.26	Dubai	57.53	0.84	5.21
UAE TR	147.1	0.11	3.14	Kuwait	-	-	-
Equity	Latest	-1w %	YTD %	Bahrain	214.90	-4.10	-26.63
ADX	9796.2	0.63	5.09	Oman	110.69	-2.20	-8.43
DFM	5599.5	1.15	8.66	Qatar	34.90	-0.29	9.14
Tadawul	11004.5	0.00	-9.07	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	10697.1	1.31	1.19	Saudi Arabia	5.13	5.00	-26.60
MSM30	4582.5	0.08	0.20	Abu Dhabi	4.61	4.20	-43.40
BHSE	1923.1	0.00	-2.84	Dubai	4.51	1.10	-35.50
KWSE	8924.6	0.79	13.85	Bahrain	6.97	-0.80	0.50
MSCI GCC	719.1	0.41	-0.97	Oman	5.31	-2.70	-43.10
MSCI EM	1201.1	2.45	12.15	Qatar	4.69	6.20	-14.90
MSCI ACWI	897.5	0.97	6.86				

Note: data from 4th June 2025 to 10th June 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Key developments

► UAE non-oil sector growth slowed to 44-month low in May – PMI

Growth in the UAE's non-oil private sector fell to its slowest pace in nearly four years in May. The UAE Purchasing Managers' Index (PMI) fell to 53.3 in May, down from 54.0 in April, marking its lowest reading in 44 months. Meanwhile, Dubai's PMI held steady at 52.9 in May, matching its lowest level since early 2022, but still indicating solid expansion in business activity.

(Source: Zawya)

► Saudi Arabia's non-oil private sector growth edged higher in May - PMI

Saudi Arabia's non-oil private sector continued to expand in May, albeit at a slower pace compared to earlier this year. The Kingdom's PMI rose slightly to 55.8 in May, up from 55.6 in April, but remained well below the recent high of 60.5 recorded in January. Output and new orders grew, but at more moderate levels, suggesting some cooling in business momentum since Q1'25.

(Source: Zawya)

► Saudi Arabia's Q1'25 GDP growth expanded by 3.4% YoY - GASTAT

Saudi Arabia's economy expanded by 3.4% YoY in Q1'25, exceeding the preliminary estimate of 2.7% YoY, according to the General Authority for Statistics (GASTAT). The data indicates that the impact of lower oil prices was less severe than previously anticipated, with the non-oil economy showing resilience.

(Source: Zawya)

► Saudi Arabia's industrial production increased by 3.1% YoY in April - GASTAT

Saudi Arabia's Industrial Production Index (IPI), increased by 3.1% YoY in April 2025, according to the General Authority for Statistics GASTAT. The growth was led by a 7.4% surge in the manufacturing sector, while the mining and quarrying sector posted a modest 0.2% gain.

(Source: Zawya)

► Emirates NBD has tightened the price on its AUD600mn 10-year benchmark Kangaroo bond

Emirates NBD, has tightened the price on its AUD600mn (USD391mn) 10-year fixed benchmark senior unsecured Kangaroo bond. The spread is set at asset swaps +185bp. The coupon rate is set at 5.913%. The final orderbook is in excess of AUD1.19bn (USD775mn). The expected issue rating is A1 by Moody's and A+ Fitch, in line with the bank's rating. The issuance comes under ENBD's AUD4bn Kangaroo Debt Issuance Programme.

(Source: Zawya)

► Mashreq Bank successfully listed a USD500mn sukuk on Nasdaq

Mashreq Bank successfully listed a USD500mn sukuk on Nasdaq Dubai via Mashreq Al Islami Sukuk Company Limited. The issuance which is part of Mashreq's USD2.5bn Trust Certificate Issuance Program, attracted strong investor demand, with the orderbook reaching USD2.9bn, nearly 6X oversubscribed. The 5-year Sukuk, maturing in 2030, was priced at UST +105bp with a fixed profit rate of 5.03% per annum.

(Source: Zawya)

► ERAM holdings plans new debt issuances by end of 2025

Saudi Arabia-based private conglomerate ERAM Holdings is preparing to access the debt markets before the end of 2025 and has initiated discussions with potential lenders. The group operates across five core sectors: specialized technical support services, travel and tourism, healthcare, R&D and manufacturing, and industrial support services. ERAM also has a manufacturing division, Eram Power Electronics Company (EPEC), focused on power electronics. The conglomerate is involved in strategic sectors including oil and gas, utilities, petrochemicals, and giga projects.

(Source: Zawya)

► **Qatar Islamic bank issued a USD750mn sukuk**

Qatar Islamic Bank (QIB) has successfully issued a USD750mn Sukuk with a 5-year tenor and a profit rate of 4.803%, equating to a credit spread of 80bp over the US Treasury rate. The issuance, rated A1 by Moody's and A by Fitch, priced below the secondary market spreads of all Qatari banks, reflecting strong investor confidence in QIB's credit profile and overall financial standing.

(Source: Zawya)

► **Al Salam bank raised a USD450mn through AT1 capital issuance**

Al Salam Bank, a Shariah-compliant bank based in Bahrain, has raised USD450mn via Additional Tier 1 (AT1) capital issuance. Despite global market volatility, the offering attracted robust demand from both regional and international investors. The capital raise supports the bank's strategy to bolster its capital base and fund future growth initiatives, reinforcing its position as a diversified regional financial group.

(Source: Zawya)

► **Qatar recorded a budget deficit of USD133mn in Q1**

Qatar recorded a QAR0.5bn (USD133.3mn) budget deficit in Q1'25, according to the Ministry of Finance. The shortfall was financed through debt instruments. Total Q1 revenue declined 7.5% YoY to QAR49.4bn, including QAR6.9bn from non-oil sources. Government spending fell 2.8% over the same period to QAR49.94bn.

(Source: Zawya)

► **Saudi Arabia's healthcare provider Specialized Medical Company (SMC) to raise USD500mn via IPO**

Specialized Medical Company (SMC) has finalized its IPO price at SAR25 per share, securing SAR1.87bn (USD500mn) through a listing on Saudi Arabia's main market. Institutional bookbuilding orders reached SAR121.3bn, representing to a coverage of 64.7x. SMC is offering 75mn shares, representing 30% of its total capital. Retail subscription will take place from June 15 to 16, with final share allocation expected on June 24, and trading to begin following regulatory approval.

(Source: Zawya)

GCC Weekly Market View

Investment Strategy | June 11 2025

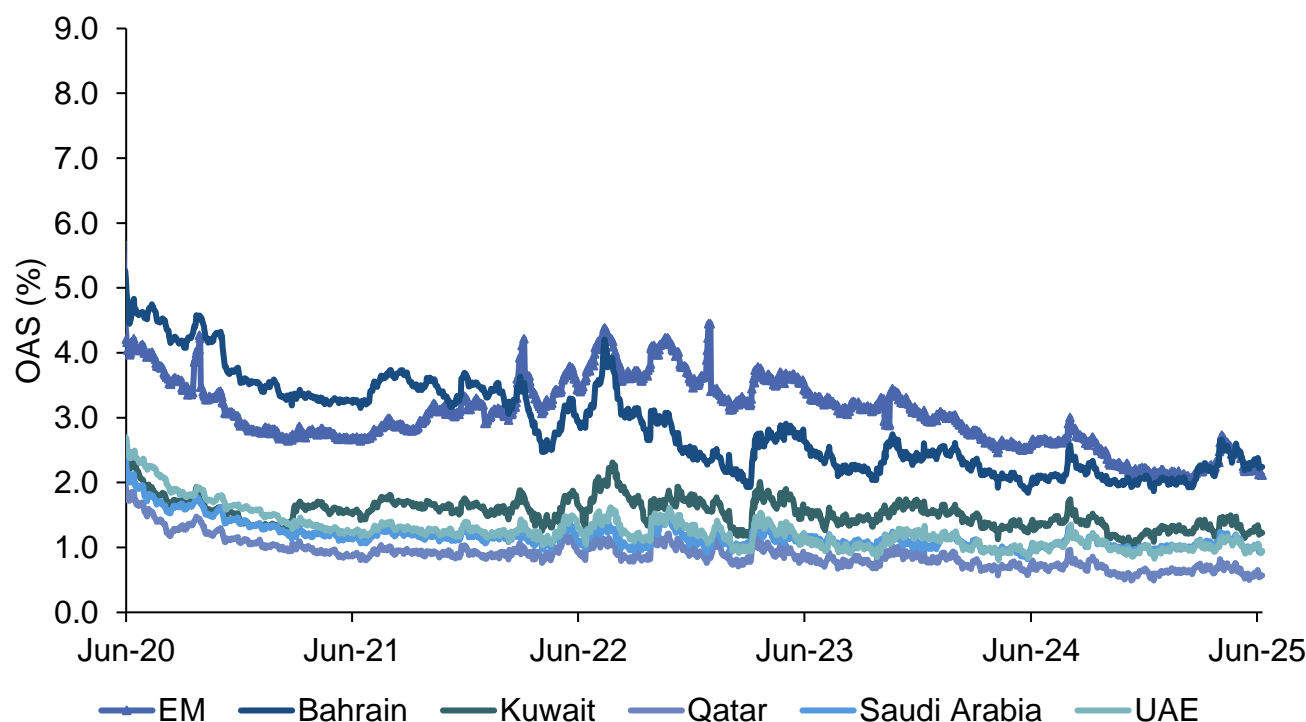
GCC bond issuances

Issuer	BBG	Sector	Country	Issue Amt*	Cpn	Maturity	Maturity Type	Currency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
SNB Funding Ltd	SNBAB	Financial Institutions	SA	300	4.9581236	10/10/2026	AT MATURITY	USD	4/10/2025	A-	5.06	-
Mashreq AL Islami Sukuk Co Ltd	MASQUH	Financial Institutions	AE	500	5.03	4/22/2030	AT MATURITY	USD	4/22/2025	A	4.96	-
AUB Sukuk Ltd	AUBBI	Financial Institutions	BH	400	6.709		PERP/CALL	USD	4/22/2025	BB+	6.72	6.74
Ajman Senior Sukuk Ltd	AJMNSS	Financial Institutions	AE	500	5.125	4/30/2030	AT MATURITY	USD	4/30/2025	BBB+	5.12	-
Omniyat Sukuk 1 Ltd	OMNYAT	Financial Institutions	AE	500	8.375	5/6/2028	AT MATURITY	USD	5/6/2025	BB-	8.07	-
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 Iind 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	#N/A Field

*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

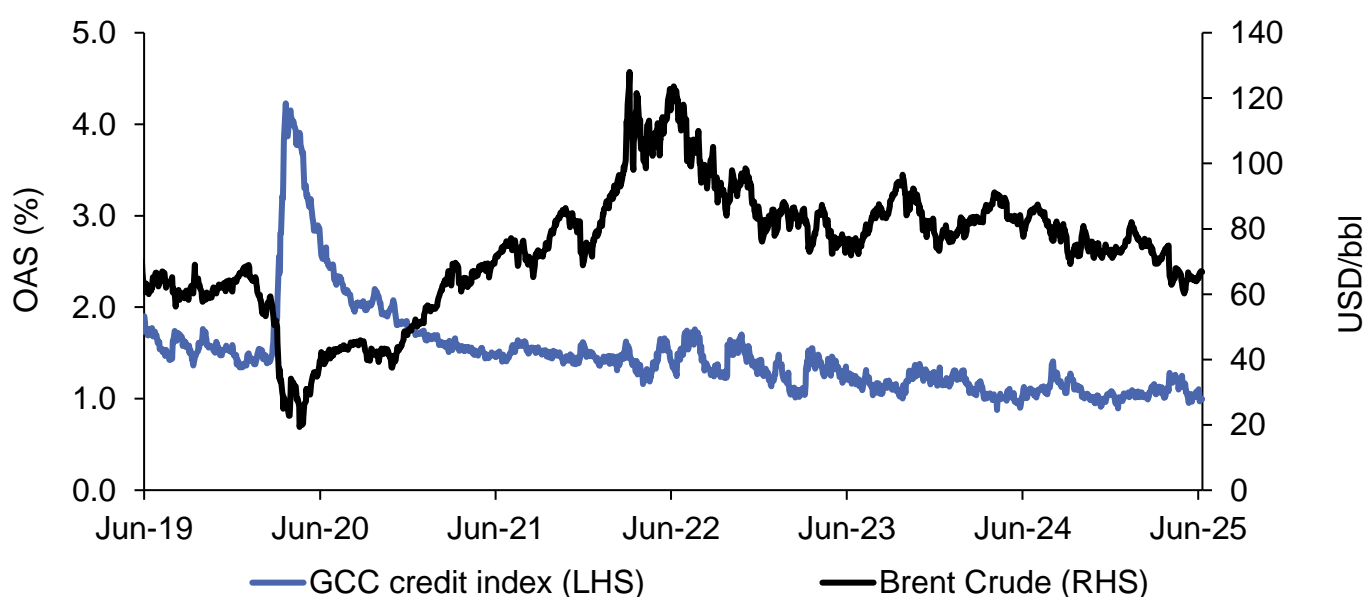
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

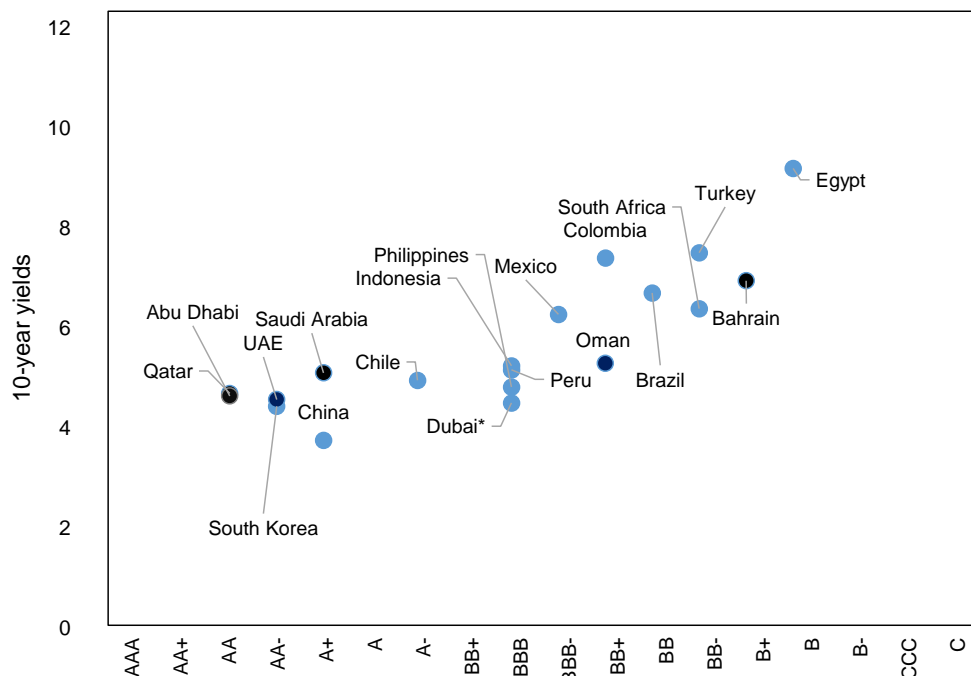
GCC corporate OAS spread versus Brent Crude



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

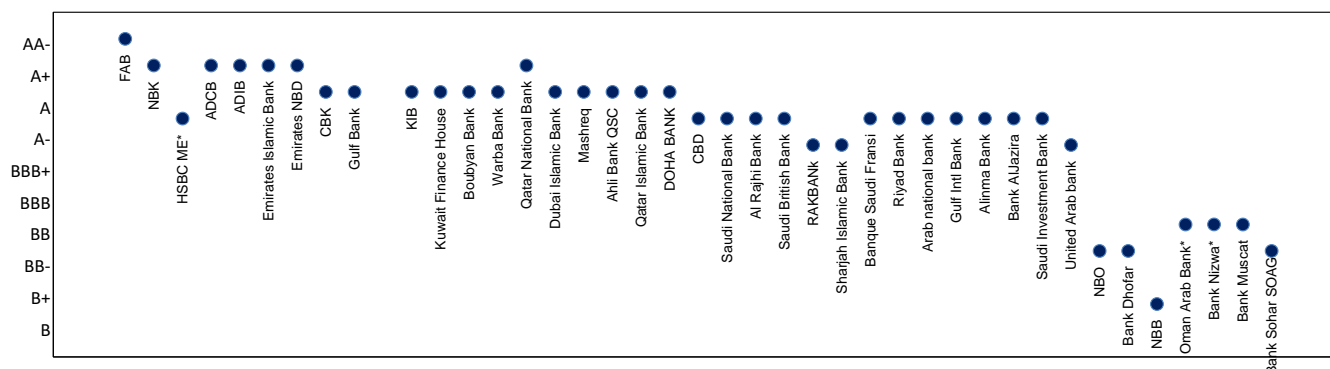
GCC Sovereign Rating

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

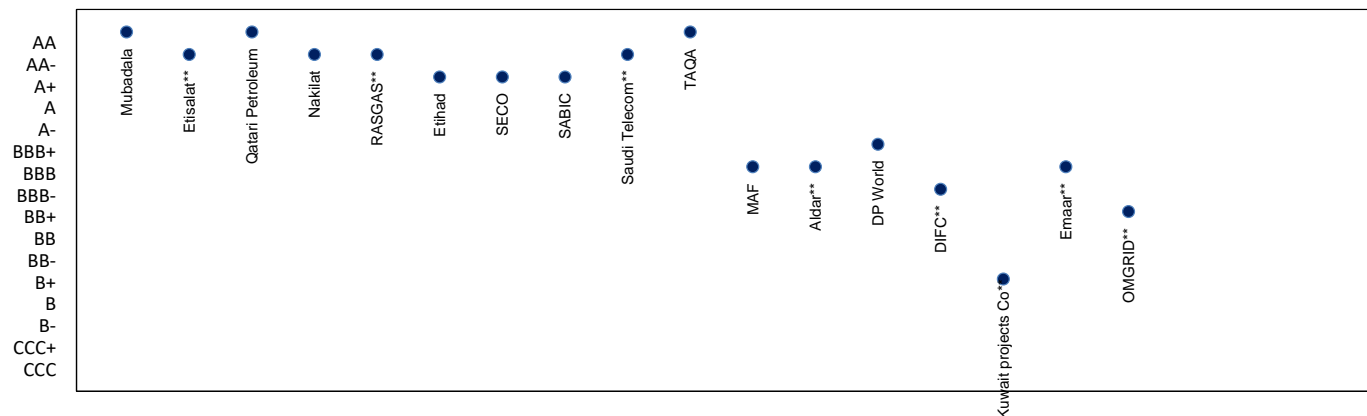
GCC Financials



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

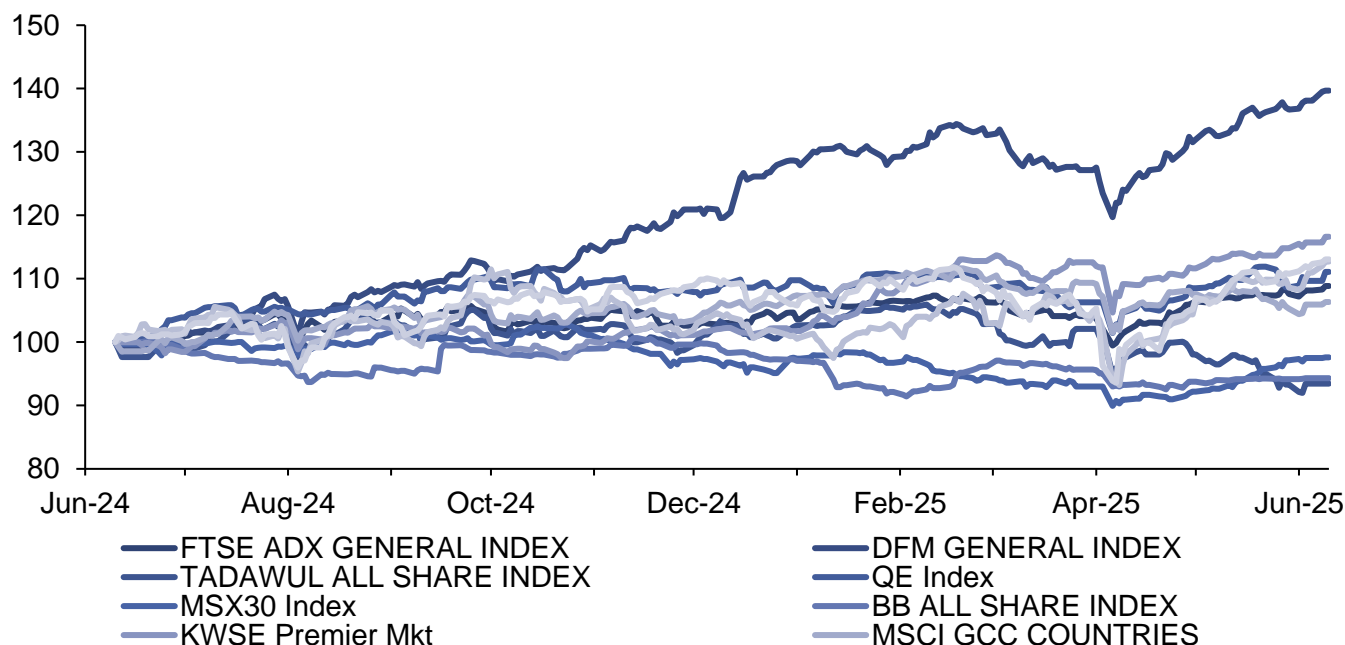
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	12.5x	27.6%	2.3%
DFM	9.6x	-	5.3%
Tadawul	14.5x	11.0%	4.2%
DSM	11.6x	-0.4%	4.6%
MSM30	9.4x	4.2%	5.9%
BHSE	6.8x	-	4.1%
KWSE	18.3x	-20.7%	3.1%
MSCI GCC	13.4x	9.5%	4.2%
MSCI EM	13.3x	9.0%	2.6%
MSCI ACWI	19.6x	7.2%	1.8%

Notes: *data as of 11 June 2025 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

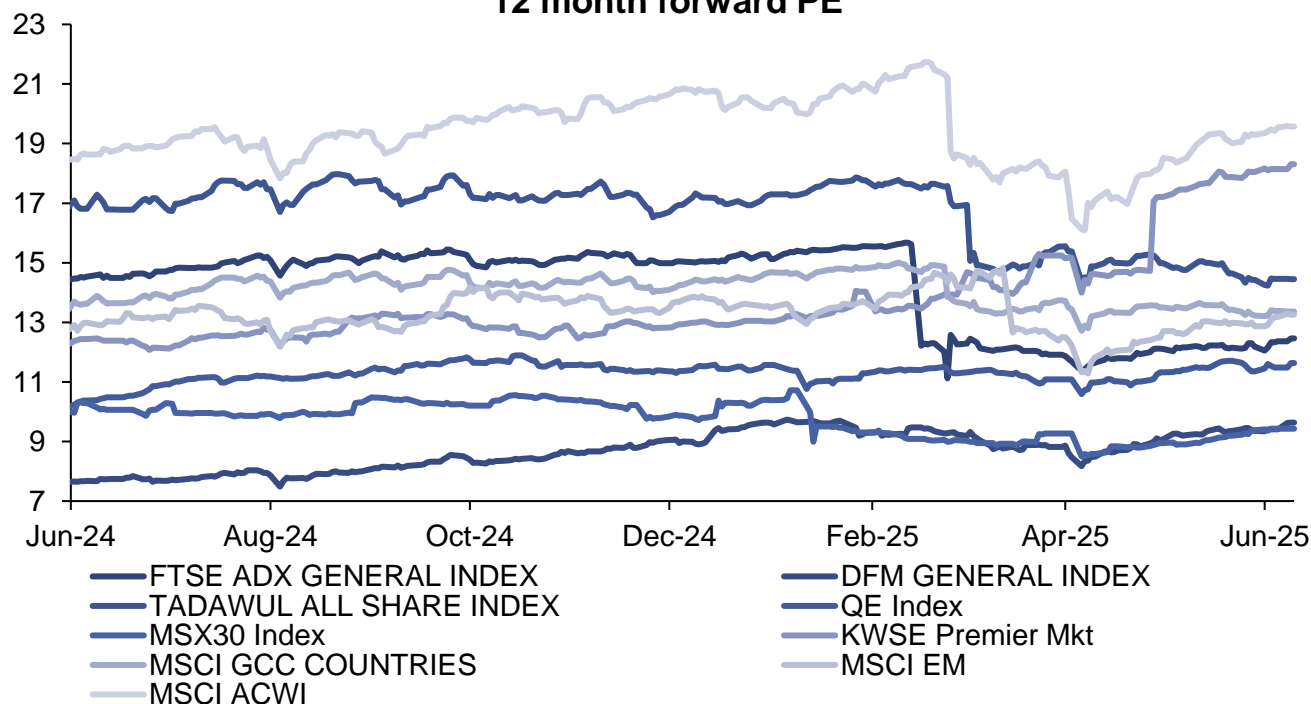
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

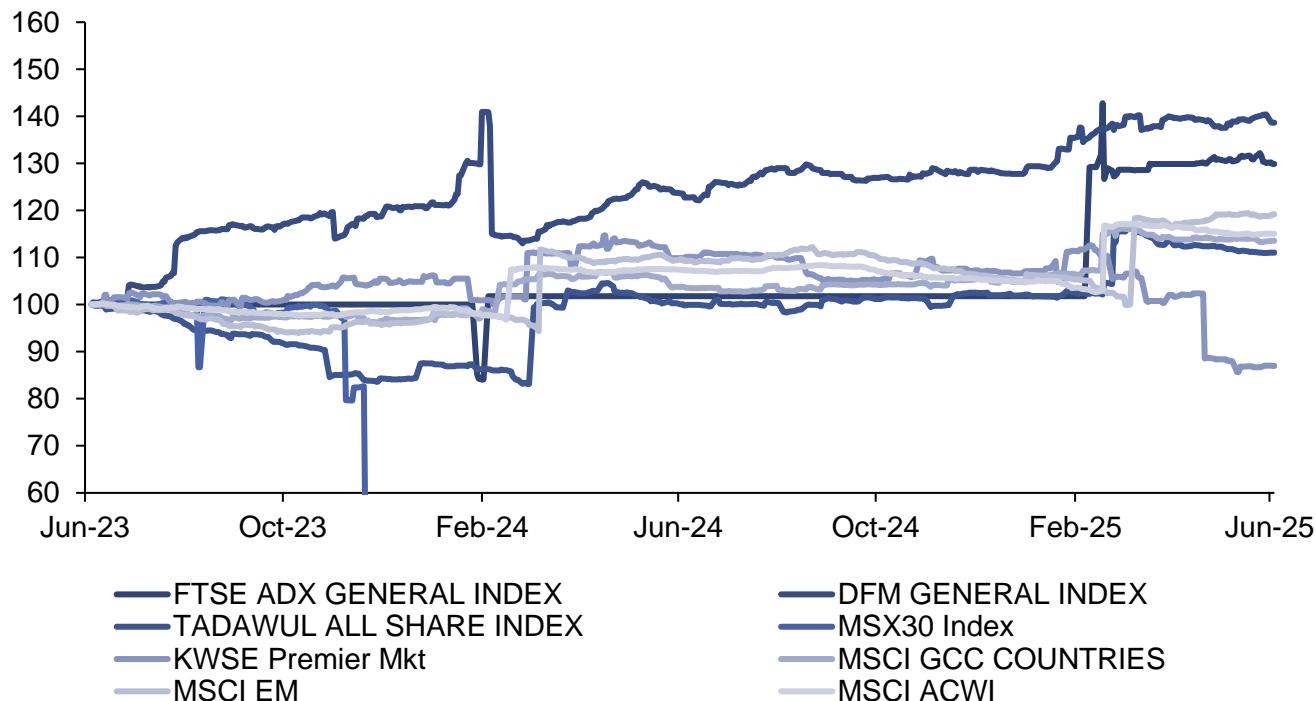
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

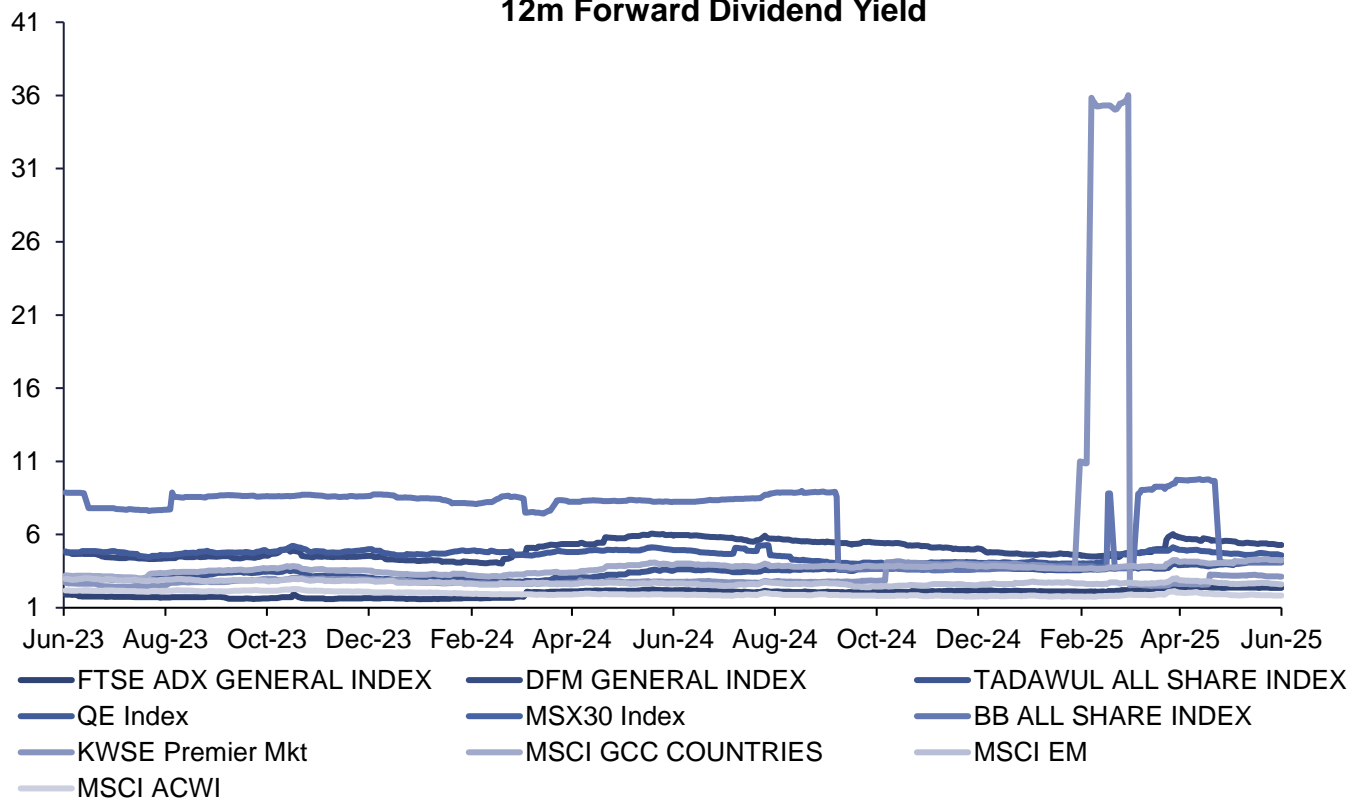
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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