

GCC market performance and activity summary

GCC fixed income

Global benchmark bond index recorded gains for the week ending 17th June. UST yields fell as softer-than-expected inflation, labor market data releases and disappointing retail sales kept the prospects of at least one Fed rate cut on the table. In credit, Global corporate IG and Global HY posted gains over the week. EM bonds recorded positive gains over the week, led by EM Asia.

GCC bond indexes had a mixed week on the back of volatility in the oil prices while rise in Middle east tensions impacted the sentiment. HY sovereigns posted losses with Bahrain underperforming the most. The 5yr CDS spreads widened across all the GCC market. In the USD sovereign market, the 10yr USD bond yields rose across all GCC countries, except for Qatar.

GCC equities

GCC equities indexes declined with Dubai and Kuwait underperforming the most. Overall, MSCI GCC declined over the week, and underperformed both MSCI EM and MSCI ACWI.

GCC key developments:

- ▶ GCC public spending projected at USD542.1bn in 2025 - GCC-STAT.
- ▶ **Saudi Arabia's inflation rate eased to 2.2% in May 2025.**
- ▶ **UAE's GDP reached USD484bn in 2024, driven by non-oil growth.**
- ▶ Saudi-UAE non-oil exports reached a record of USD48.3bn in Q1'25.
- ▶ Oman's industrial exports rose by 8.6% YoY in Q1'25 – NCSI.
- ▶ The World Bank forecasted 3.2% growth for GCC in 2025.

GCC issuances/IPO:

- ▶ **Saudi National Bank to issue USD-denominated Tier 2 Notes.**
- ▶ **Saudi-based Islamic Development Bank set final pricing for USD 5-year sukuk.**

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GCC Weekly Market Performance

Index				Rates			
Fixed Income	Latest	-1w %	YTD %	3M interbank	Latest	-1w (bp)	YTD (bp)
Global Agg	491.1	0.15	6.20	Saudi	5.59	19.07	17.35
Global Treasuries	207.3	0.12	6.53	UAE	4.22	-3.37	-21.82
EM USD Agg TR	1295.3	0.00	3.70	Kuwait	4.06	6.25	-
EM LatAm TR	1183.8	0.04	4.50	Bahrain	4.06	-156.03	-162.53
EM EMEA TR	380.5	-0.11	3.24	Oman	4.60	-	-31.35
EM Asia TR	671.6	0.13	3.44	Qatar	4.65	0.0	-
Bahrain TR	209.0	-0.26	2.81	US SOFR	4.32	4.00	-8.00
Oman TR	162.5	-0.06	3.88	5Y Sov. CDS	Latest	-1w (bp)	YTD (bp)
Kuwait TR	161.8	0.06	3.13	Saudi Arabia	75.18	8.45	-10.38
Qatar TR	141.1	0.07	2.55	Abu Dhabi	39.06	3.97	4.85
Saudi Arabia TR	145.8	-0.08	3.31	Dubai	64.59	9.21	-1.85
UAE TR	147.3	0.03	3.34	Kuwait	76.06	2.5	1.2
Equity	Latest	-1w %	YTD %	Bahrain	224.82	12.31	-36.55
ADX	9536.4	-2.74	2.30	Oman	113.72	4.94	-11.46
DFM	5372.4	-3.99	4.25	Qatar	38.91	4.49	5.13
Tadawul	10713.8	-2.65	-11.47	10Y yield	Latest	-1w (bp)	YTD (bp)
DSM	10411.4	-2.82	-1.51	Saudi Arabia	5.10	1.20	-30.40
MSM30	4520.4	-1.55	-1.16	Abu Dhabi	4.59	0.30	-43.40
BHSE	1910.2	-0.54	-3.49	Dubai	4.51	0.50	-31.50
KWSE	8679.7	-3.38	10.73	Bahrain	7.05	9.60	8.60
MSCI GCC	699.3	-2.91	-3.70	Oman	5.31	1.50	-42.40
MSCI EM	1197.0	-0.99	11.76	Qatar	4.63	-1.30	-20.20
MSCI ACWI	890.4	-0.73	6.01				

Note: data from 11th June 2025 to 17th June 2025, Source: Moody's rating, Fitch ratings, Bloomberg, ADCB Asset Management.

Key developments

► **GCC public spending projected at USD542.1bn in 2025; revenues estimated at USD487.8bn – GCC-STAT**

Total public spending across the six GCC countries—UAE, Saudi Arabia, Oman, Kuwait, Qatar, and Bahrain—is projected to reach USD542.1bn in 2025, according to the GCC Statistical Center (GCC-Stat). This marks an increase compared to 2024 and highlights the region's ongoing focus on infrastructure development and targeted sectoral growth in line with national strategic plans. Government revenues for the year are estimated to be USD487.8bn, resulting in a projected fiscal deficit of USD54.3bn across the bloc. the GCC Statistical Center (GCC-Stat), also noted that member states continue to adopt expansionary fiscal policies to stimulate economic momentum, supported by structural reforms and development initiatives.

(Source: Zawya)

► **Saudi Arabia's inflation rate eased to 2.2% in May 2025**

Saudi Arabia's annual inflation rate eased slightly to 2.2% YoY in May 2025, down from 2.3% YoY in April, according to the latest bulletin from the General Authority for Statistics (GASTAT). The Consumer price index (CPI) declined by 0.1% MoM, reflecting marginal downward pressure on prices across several key categories. The decline in inflation was primarily driven by a 0.2% drop in transportation costs, a 0.1% decrease in entertainment and culture, a 0.7% fall in home furnishings and equipment, a 0.4% decline in clothing and footwear, and a 0.1% reduction in communications. Despite global inflationary pressures, Saudi Arabia continues to maintain one of the lowest inflation rates among G20 economies, supported by stable domestic policies and moderate consumer price growth.

(Source: Zawya)

► **UAE's GDP reached USD484bn in 2024, driven by non-oil growth**

The UAE's real GDP reached AED1.776tn (approximately USD484bn) in 2024, reflecting a 4% YoY growth, according to the Federal Competitiveness and Statistics Centre (FCSC). The expansion was largely supported by a 5% increase in non-oil economic activities, which contributed AED1.342tn, while oil-related sectors accounted for AED434bn. Minister of Economy Abdulla bin Touq Al Marri highlighted the figures as a sign of renewed economic momentum and continued progress in the country's diversification agenda. Non-oil sectors now represent 75.5% of the UAE's total GDP, underlining the effectiveness of long-term strategies aimed at building a resilient, knowledge-driven, and sustainable economy. Al Marri credited the nation's leadership for steering this transformation, noting that the UAE is steadily advancing toward its "We the UAE 2031" vision. "Each milestone brings us closer to achieving our target of raising GDP to AED3tn by the next decade, while reinforcing the UAE's position as a global hub for innovation, sustainability, and economic competitiveness. The 2024 GDP data affirms the UAE's strategic shift toward high value sectors and reflects growing alignment with global trends in technology and sustainable development.

(Source: Zawya)

► **Saudi UAE non-oil exports reached a record of USD48.3bn in Q1'25 – Ministry of State for Foreign trade**

The UAE's non-oil exports surged 40.7% YoY in Q1'25, reaching a record AED177.3bn (USD48.27bn), according to a statement by the Minister of State for Foreign Trade. The robust performance underscores the effectiveness of the UAE's economic diversification strategy and its expanding role in global trade.

(Source: Zawya)

► **Oman's industrial exports rose by 8.6% YoY in Q1'25 - NCSI**

Oman's industrial exports grew by 8.6% YoY in Q1'25, reaching OMR1.618bn, up from OMR1.49bn in the same period in 2024, according to the National Centre for Statistics and Information (NCSI). The growth reflects a strong performance across regional markets, highlighting Oman's expanding industrial footprint in the GCC and broader MENA region.

(Source: Zawya)

► **The World Bank forecasted 3.2% growth for GCC in 2025**

The World Bank projects GCC growth to be 3.2% in 2025, accelerating to 4.5% in 2026 and 4.8% in 2027. The uptick is expected to stem from rising oil production as OPEC+ output cuts are phased out, despite expectations of lower global oil prices amid weakening demand. MENA region growth is projected to grow 2.7% in 2025, strengthening to 4.1% by 2027.

(Source: Zawya)

► **Saudi National Bank issued new USD-denominated Tier 2 Notes**

Saudi National Bank (SNB) rated Aa3 by Moody's and A- by Fitch, issued USD-denominated Tier 2 capital notes under its USD10bn Euro Medium Term Note (EMTN) programme. The planned Reg S 10-year non-call 5-year issuance is priced at 200bp above similar maturity USTs.

(Source: Zawya)

► **Saudi-based Islamic Development Bank set final pricing for USD 5-year sukuk**

Saudi Arabia-based Islamic Development Bank has priced its USD1.2bn 5-year USD Reg S sukuk at 4.246%. The spread is SOFR midswaps +57bp tighter than initial price thoughts (IPTs) at MS+58. It will be listed on Euronext Dublin and Nasdaq Dubai.

(Source: Zawya)

GCC Weekly Market View

Investment Strategy | June 18 2025

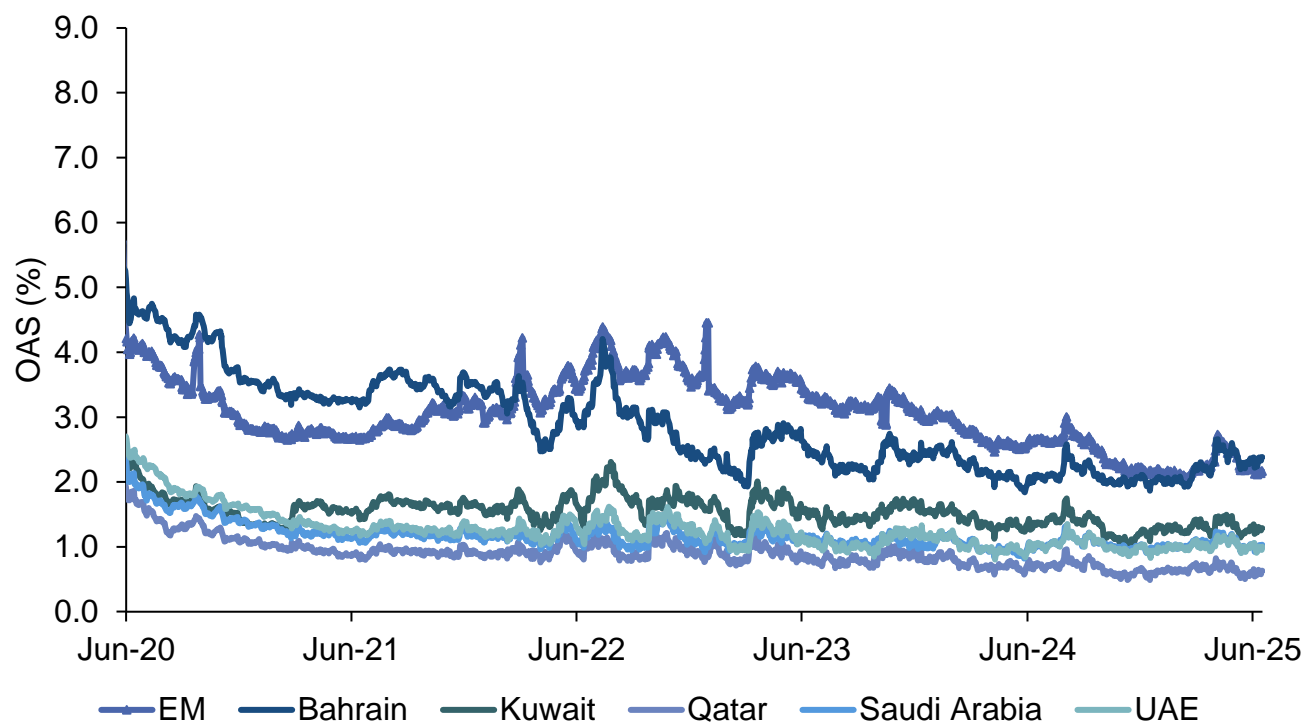
GCC bond issuances

Issuer	BBG	Sector	Cou ntry	Issue Amt*	Cpn	Maturity	Maturity Type	Curr ency	Issue Date	Rtg^	YTM (mid)	YTC (mid)
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 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	-

*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

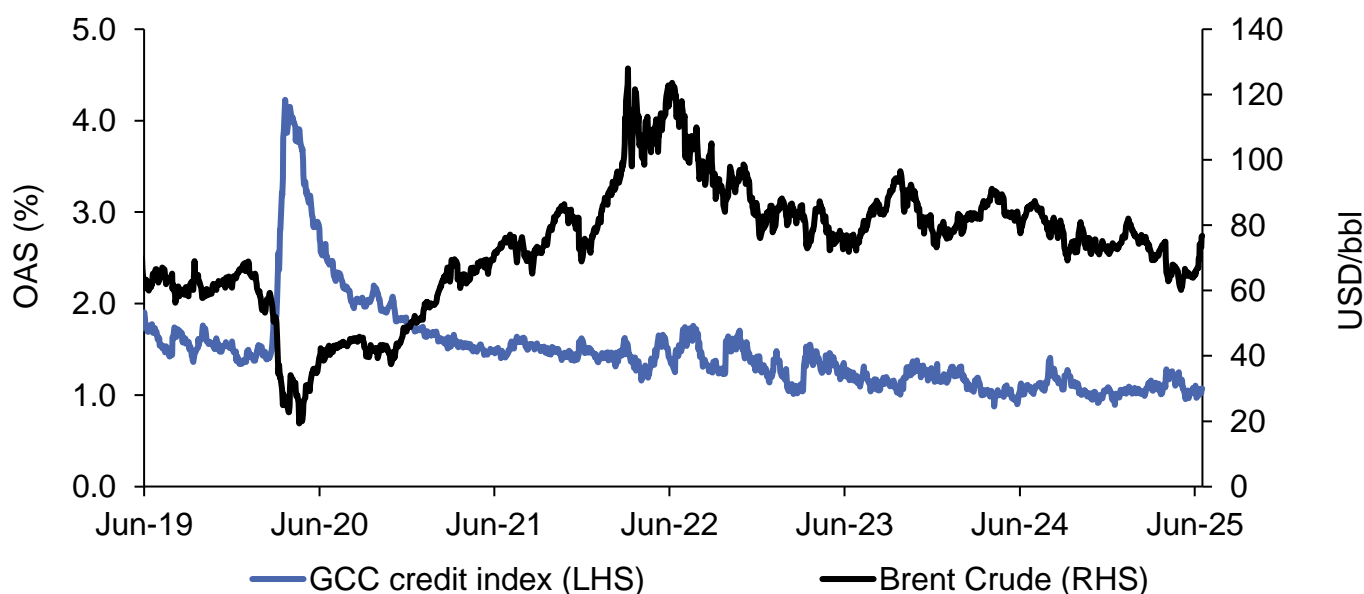
Appendix

Bloomberg Barclays Bond Indices OAS spread (EM vs GCC)



Source: Bloomberg Sovereign Bond Indices, ADCB Asset Management

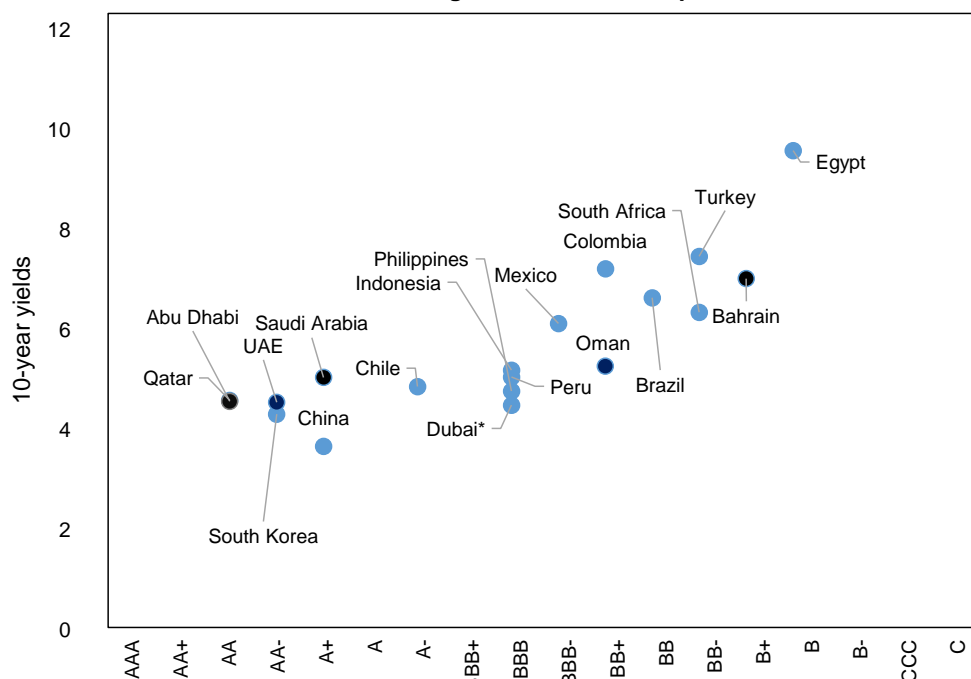
GCC corporate OAS spread versus Brent Crude



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

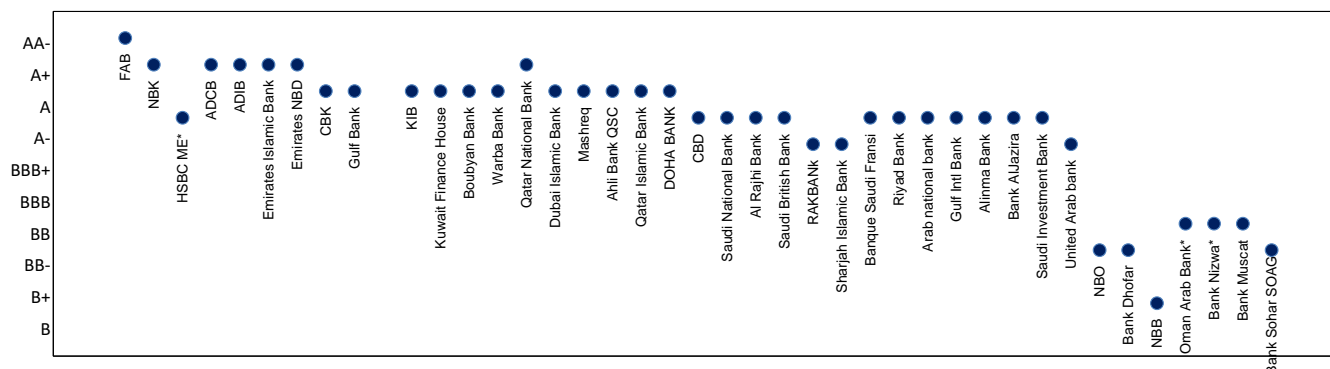
GCC Sovereign Rating

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

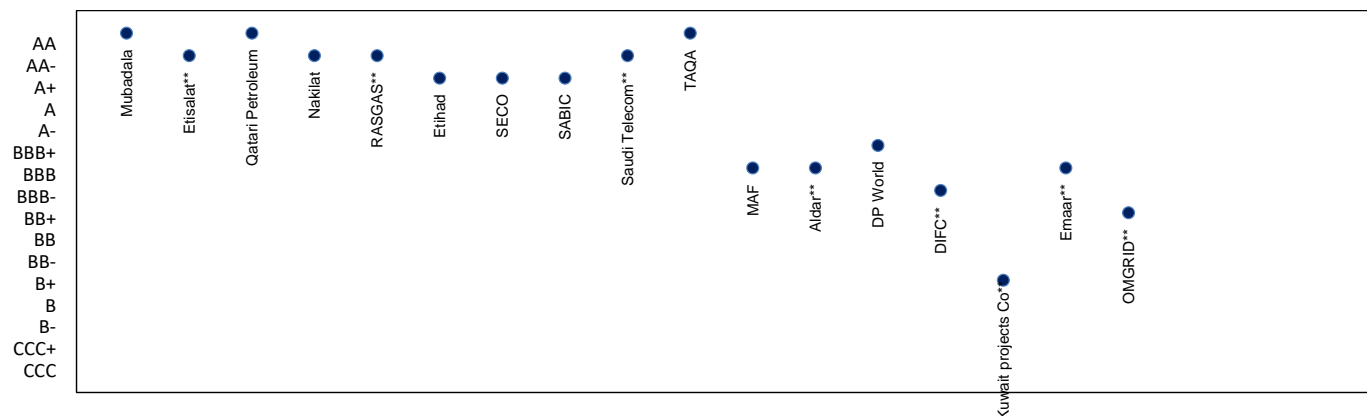
GCC Financials



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

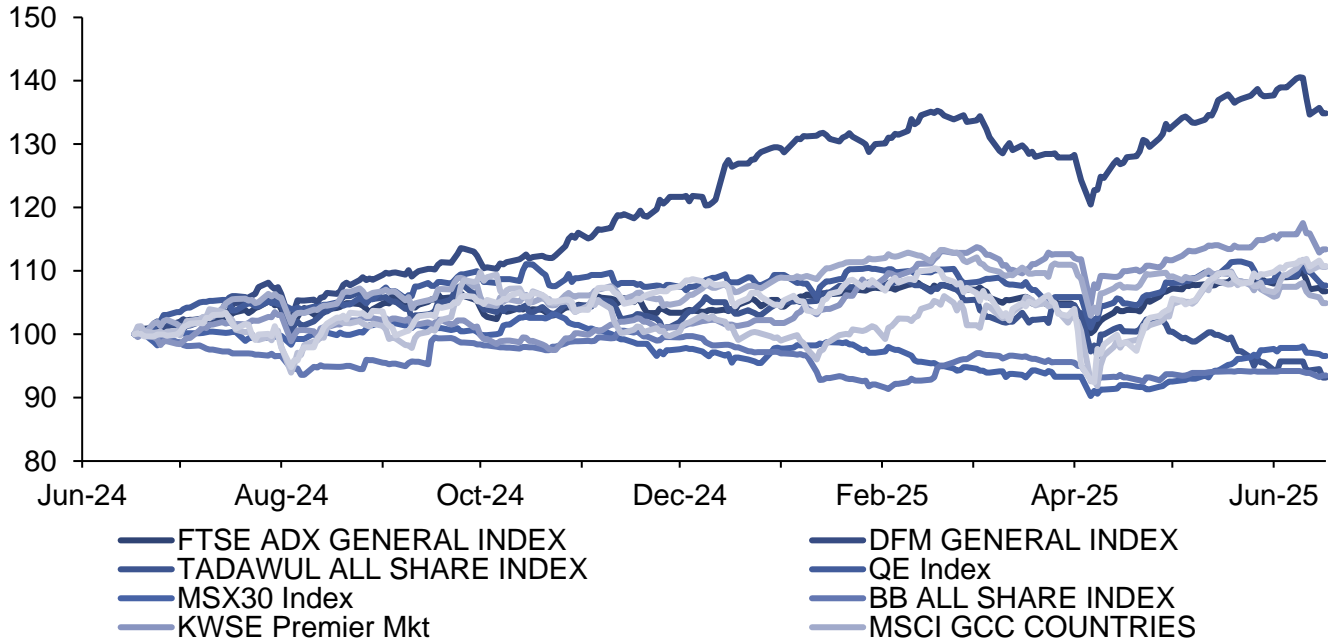
GCC equities – performance, earnings, and valuations snapshot

Equity Index	12M forward PE	12M forward EPS growth	12M forward dividend yield
ADX	11.9x	29.9%	2.4%
DFM	9.3x	-	5.5%
Tadawul	14.1x	11.0%	4.4%
DSM	11.3x	-0.3%	4.7%
MSM30	9.3x	4.5%	6.0%
BHSE	10.9x	-	4.1%
KWSE	17.8x	-21.0%	3.2%
MSCI GCC	13.1x	9.8%	4.4%
MSCI EM	13.3x	9.8%	2.6%
MSCI ACWI	19.6x	7.4%	1.8%

Notes: *data as of 18 June 2025 | Source: Bloomberg, ADCB

GCC equity 1Y Performance

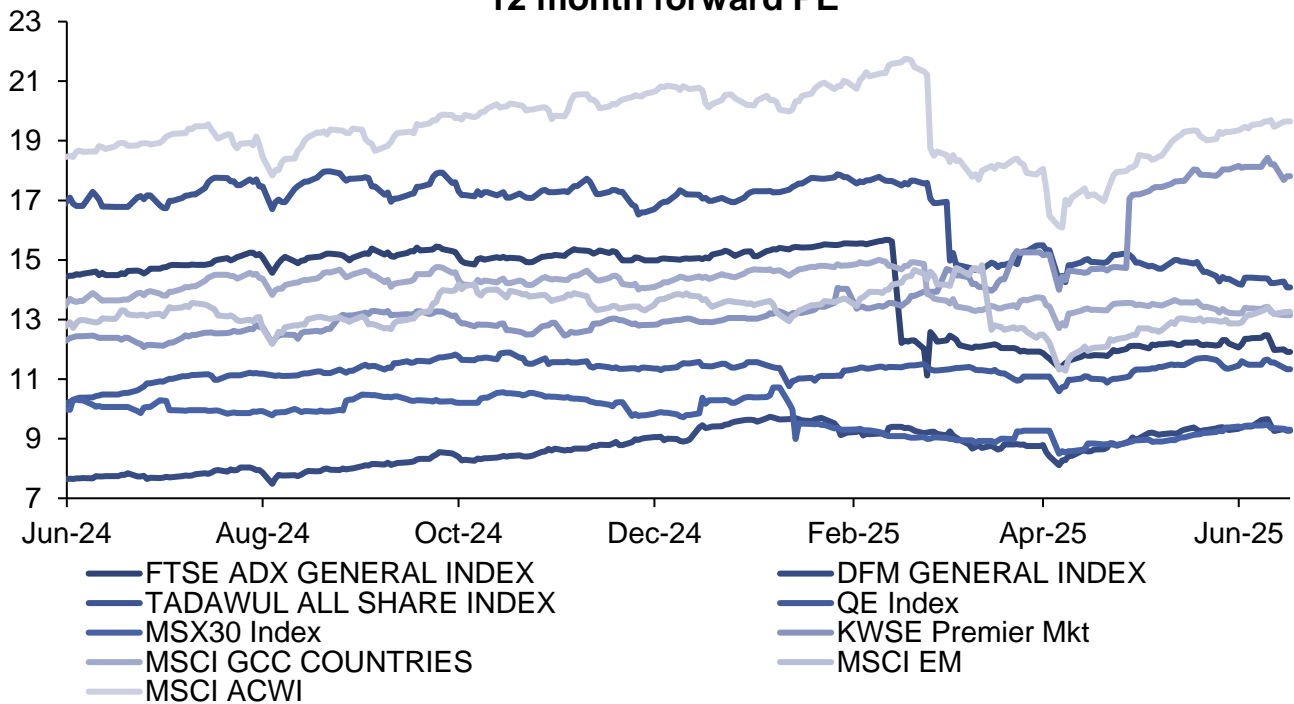
1Y performance



Source: Bloomberg, ADCB

GCC equity 12m forward PE

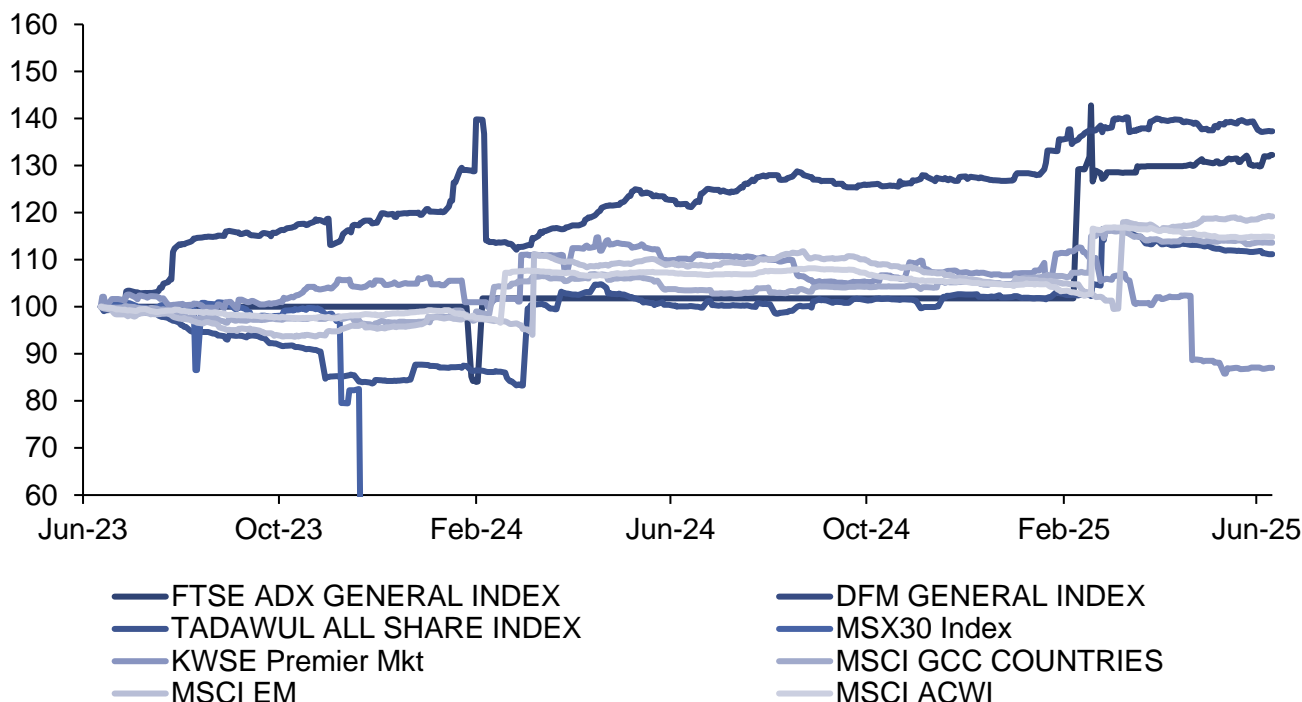
12 month forward PE



Source: Bloomberg, ADCB

GCC equity 12m forward EPS

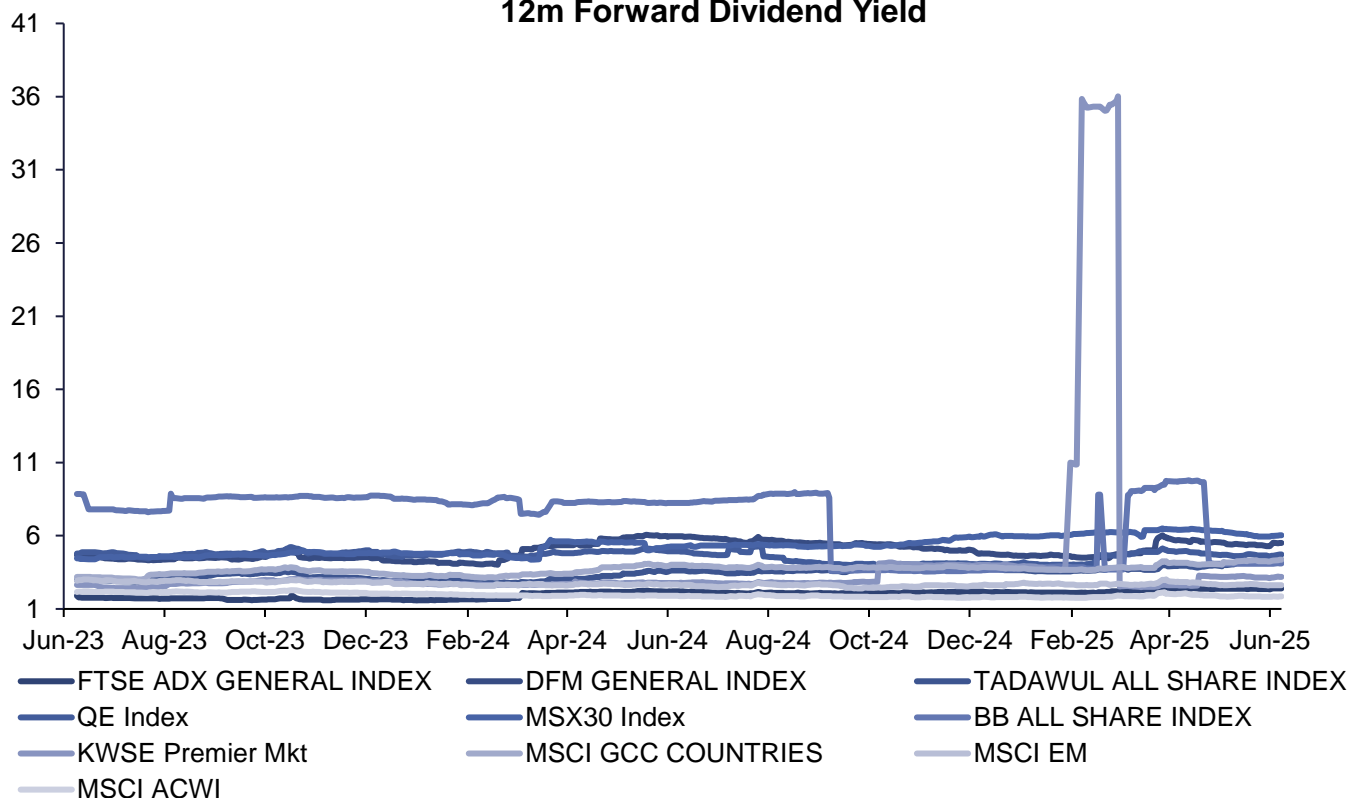
12 month forward EPS (indexed to 100 at start)



Source: Bloomberg, ADCB

GCC equity 12m forward dividend yields

12m Forward Dividend Yield



Source: Bloomberg, ADCB

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